



PROSPECTUS

relating to the permanent offering and issue of Units in

FONDACO GLOBAL FUND

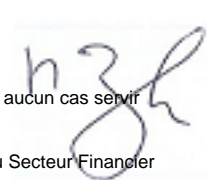
A mutual investment fund organized under the laws
of the Grand Duchy of Luxembourg

Management Company:
Fondaco Lux SA,
146, Boulevard de la Pétrusse
L-2330 Luxembourg

9 May 2022

VISA 2022/169092-5468-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2022-05-13
Commission de Surveillance du Secteur Financier



The Units referred to in this prospectus (the "Prospectus") are offered solely on the basis of the information contained herein, in the simplified prospectus or the Key Investor Information Document (when issued) of each sub-fund and in the reports referred to in the Prospectus. In connection with the offer hereby made, no person is authorized to give any information or to make any representations other than those contained in the Prospectus and the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in the Prospectus shall be solely at the risk of the purchaser.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase and holding of Units; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

The Units have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940. The Units may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the Securities Act and with the consent of the Management Company (and, in the case of transfers of Units, with the unanimous consent of all Unitholders). Neither the Units nor any interest therein may be beneficially owned by any other U.S. Person. The sale and transfer of Units to U.S. Persons is restricted and the Management Company may repurchase Units held by a U.S. Person or refuse to register any transfer to a U.S. Person as it deems appropriate to assure compliance with the Securities Act.

Authorised intermediaries which offer, recommend or sell Units in the Sub-Funds must comply with all laws, regulations and regulatory requirements applicable to them. Also, such intermediaries should consider such information about the Sub-Funds as is made available by the Manager or Investment Manager for the purposes of the EU's product governance regime under MiFID II including, without limitation, target market information.

DATA PROTECTION

In the course of its business, and for the purposes of complying with its legal obligations the Management Company may collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Management Company is the data controller within the meaning of Data Protection Legislation and undertakes to hold any personal data provided by investors in accordance with Data Protection Legislation.

The personal data or information given, collected, provided to or obtained by the Management Company, and/or any of its delegates or service providers (including without limitation its Auditors and information technology providers) or any other company within the Fondaco Group as well as the paying agent and other agents delegates and sub-delegates (such as accountants, legal advisers and administrative support providers including processing, paying or mailing agents), in connection with an application to subscribe for, or for the holding of, one or more Units, or at any other time, as well as details of the investor's holding of Units(s) ("Personal Data"), will be stored in digital form or otherwise and collected, used, stored, retained, transferred and/or otherwise processed :

to operate the Fund, including managing and administering a Unitholder's investment in the Fund on an on-going basis which enables the Fund, the Management Company and/or any of its delegates or service providers and investors to satisfy their contractual duties and obligations to each other;

to comply with any applicable legal, tax or regulatory obligations on the Fund and the Management Company and/or any of its delegates or service providers under any applicable laws and anti-money laundering and counter-terrorism legislation and to preserve the interests of the Fund and its investors.

in compliance with the provisions of the Luxembourg Data Protection Law dated 1 August 2018 as amended from time to time (the "Law of 2018") and, when applicable, 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

The Management Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in the European Union or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Fund and the Management Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Management Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place or the transfer is in reliance on one of the derogations provided for under GDPR. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection. If a third country does not provide an adequate level of data protection, then the Management Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission).

The Management Company and/or any of its delegates or service providers will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Management Company and/or any of its delegates or service providers shall have regard to any applicable statutes of limitation and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation.

Where processing is carried out on behalf of the Management Company, the delegated data processor, within the meaning of Data Protection Legislation, shall provide sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors.

Investors may be required to provide their personal data for legal and contractual purposes. Failure to provide the required personal data may result in the Management Company being unable to permit, process, or release the investor's investment in the Fund and this may result in the Management Company terminating its relationship with the investor.

SUSTAINABILITY

On November 2019 the European Council and the European Parliament adopted the Regulation 2019/2088 on sustainability-related disclosures in the financial services sector, as amended and integrated by the Regulation 2020/85 on the Establishment of a Framework to Facilitate Sustainable Investment of 22 June 2020 (the “SFDR”).

The SFDR establishes an EU-wide classification system or ‘framework’ intended to provide businesses and investors with a common language to identify to what degree economic activities can be considered environmentally sustainable. It aims to “provide clarity and transparency on environmental sustainability to investors, financial institutions, companies and issuers thereby enabling informed decision-making in order to foster investments in environmentally sustainable activities.”

The SFDR enables the Management Company to gather reliable, consistent and comparable sustainability related indicators from in-scope investee companies and incorporate this data into their investment decision and risk management process and fulfil their disclosure duties under the SFDR or applicable sectorial legislation. The SFDR also provides further details on the content of sustainability-related disclosures required in pre-contractual and periodic reports of environmentally sustainable investment funds and investment funds promoting environmental characteristics.

The Management Company believes that responsible investing is an important part of good corporate citizenship as well as being important for long-term value creation.

Therefore, the Management Company has implemented a responsible investment policy. As an example, the following criteria follow within the scope of responsible investing (the following list not being exhaustive):

- Environment: environmental certifications, products and services with environmental added value, contribution towards environmental and energy transition, particular measures to address environmental issues such as energy, climate, air quality, biodiversity;
- Social: training, health and safety, absenteeism and staff turnover, corporate culture and values, restructuring management, evaluation of social atmosphere, work life balance, responsible procurement policy and suppliers audits;
- Governance: alignment of interests between the management team and the shareholders, financial reporting quality (reliability and transparency), governing bodies structure, succession planning, consideration for minority shareholders.

The analysis of Environmental, Social and Governance (“ESG”) criteria is a fully integrated component of the Fund investment universe.

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GENERAL INFORMATION

I. DIRECTORY AND CONTACT DETAILS

THE FUND

Fondaco Global Fund

146, Boulevard de la Pétrusse L-2330 Luxembourg, Grand Duchy of Luxembourg.

MANAGEMENT COMPANY

Fondaco Lux S.A.

146, Boulevard de la Pétrusse L-2330 Luxembourg, Grand Duchy of Luxembourg.

MEMBERS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Fabio Libertini - Chairman of Fondaco Lux S.A. 146, Boulevard de la Pétrusse L-2330 Luxembourg, Grand Duchy of Luxembourg

Paolo Crozzoli - Independent Director, 146, Boulevard de la Pétrusse L-2330, Luxembourg, Grand Duchy of Luxembourg.

Henri Ninove - Director of ERSEL GESTION INTERNATIONALE S.A. LUXEMBOURG - 17, Jean L'Aveugle, L-1148 Luxembourg, Grand Duchy of Luxembourg.

DELEGATES OF THE BOARD OF DIRECTORS WHO EFFECTIVELY CONDUCT THE BUSINESS OF THE MANAGEMENT COMPANY

Paola Trombetta – Head of Client Management & Products - Fondaco S.G.R. S.p.A.
Corso Vittorio Emanuele II n. 71 – Turin – Italy.

Lorenzo Valerio Pizzuti – Conducting Person – Fondaco Lux S.A.,
146, Boulevard de la Pétrusse L-2330 Luxembourg, Grand Duchy of Luxembourg.

DEPOSITARY AND PAYING AGENT

CACEIS Bank, Luxembourg Branch

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

ADMINISTRATIVE AGENT

CACEIS Bank, Luxembourg Branch

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

INVESTMENT MANAGERS

Please refer to the relevant Sub-Fund Appendix.

FUND AND MANAGEMENT COMPANY AUDITOR

PricewaterhouseCoopers Société coopérative.

2 Rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

II. GLOSSARY

Appendix – an appendix to this Prospectus, which sets out, in relation to any Sub-Fund, the specific provisions concerning that Sub-Fund and which supplement or derogate from Part I of this Prospectus.

Application form – a form of application for Units.

Banking Day – a day, other than Saturday or Sunday, on which banks are open for a full day of business in Luxembourg (i.e. 24 December is not a Banking Day).

Board – the Board of Directors of the Management Company whose composition is described in the Prospectus.

CET – the Central European Time.

CRS – the OECD Common Reporting Standard.

DAC Directive – the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation.

DAC Law – the Luxembourg law of 18 December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation.

Data Protection Legislation - EU Data Protection Directive 95/46/EC and EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including EU General Data Protection Regulation (EU) 2016/679, European Commission decisions, binding EU and national guidance and all national implementing legislation.

EEA – the European Economic Area.

EU – the European Union.

Euro – the single currency of the member states of the Economic and Monetary Union.

Fund – a Luxembourg *fonds commun de placement* as more fully described below in the Section entitled "The Fund", known as "FONDACO GLOBAL FUND".

GDPR - Regulation (EU) 2016/679 known as the General Data Protection Regulation, which came into force on 25 May 2018.

Investment Manager – an entity to whom the Management Company has delegated its functions to manage the assets of a Sub-Fund, as indicated in the Appendix of the relevant Sub-Fund.

Key Investor Information Document – to be published pursuant to article 159 of the Law of 2010 by the Fund for the information of the investors by 30 June 2012 in replacement of the simplified prospectus.

Law of 2010 – the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time.

Management Company – Fondaco Lux S.A.

Management Regulations – the current management regulations of the Fund, as may be amended from time to time.

Member State – a member state of the European Union.

Mémorial – the Mémorial C, Recueil des Sociétés et Associations.

Money Market Instruments – instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

Net Asset Value – the net asset value, per Unit of the relevant class (if any) of a Sub-Fund as determined in the Reference Currency on each Valuation Day in accordance with the Section below entitled "Determination of the Net Asset Value of Units".

OTC – Over the Counter.

Other Regulated Market – a market which is regulated, operates regulatory and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public.

Other State – any State of Europe which is not a Member State, and any State of America, Africa, Asia and Oceania.

Person(s) – includes a reference to individuals, corporations, partnerships, joint ventures, associations or authorities.

Part I of the Prospectus – the general section of the Prospectus, i.e., the full Prospectus less Part II thereof.

Part II of the Prospectus – all the appendices collectively in relation to the Sub-Funds existing at any time.

Prospectus – this prospectus including Part I thereof and Part II "Sub-Fund Information".

Redemption Date – a Valuation Day on which Units are redeemed as described in Section 16.1.

Reference Currency – means in relation to a Sub-Fund the currency in which a Sub-Fund is denominated.

Regulated Market – a regulated market as defined in the European Parliament and Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments ("Directive 2004/39/EC"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC.

Regulatory Authority – the *Commission de Surveillance du Secteur Financier* or its successor in charge of the supervision of undertakings for collective investment in the Grand Duchy of Luxembourg.

RESA - means the Luxembourg *Recueil Electronique des Sociétés et Associations*.

Section – a section of this Prospectus.

SFT – Securities financing transactions.

SFTR – the EU Regulation 2015/2365 on transparency of securities transactions and of reuse of 25 November 2015.

Sponsor – Fondaco S.G.R. S.p.A.

Sub-Fund – a distinct portfolio of assets and liabilities within the Fund, as described in Section III.

Transferable Securities – (i) shares and other securities equivalent to shares ("shares"); (ii) bonds and other debt instruments ("debt securities") and (iii) any other negotiable securities which carry the right

to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as techniques and instruments, in each case within the meaning of the Law of 2010.

UCI – an undertaking for collective investment as defined by Luxembourg law.

UCITS – an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive.

UCITS Directive – the European Parliament and Council Directive 2009/65/EC 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 and of the Council of 23 July 2014 for all matters relating to the depositary functions, remuneration policies and sanctions.

Unitholder – a Person entitled to an undivided co-ownership of the assets and liabilities comprising the relevant Sub-Fund and to participate and share in the profits of the relevant Sub-Fund registered by the Management Company as the owner of Units.

Unit – a unit within a Sub-Fund issued by the Management Company, representing the proportion of each Unitholder's ownership of the assets and liabilities comprising the Sub-Fund.

Unit Class – a unit class related to a Sub-Fund to which specific characteristics may apply in terms of entry, conversion and/or exit fees, minimum subscription, admission requirements for investors or for which other specific conditions determined by the Board are applicable. The Unit Classes available for each Sub-Fund are mentioned in the corresponding Appendix.

U.S. – the United States of America.

Valuation Day – in relation to any Sub-Fund shall be the Banking Day provided for in the relevant Section of the Sub-Funds' characteristics, except a Banking Day falling within a period of suspension of determination of Net Asset Value, as described in the Section XX. "Determination of the Net Asset Value of Units".

III. SUMMARY OF KEY FEATURES OF THE FUND

1. Legal Structure

The Fund is a *fonds commun de placement* organised in and under the laws of the Grand Duchy of Luxembourg in the form of an open-ended mutual investment fund and registered with the Registre de Commerce et des Sociétés of Luxembourg under the number K1353. The Fund has Sub-Funds, each constituting a distinct portfolio of assets and liabilities.

The Fund is registered pursuant to Part I of the Law of 2010. Such registration does not, however, require the Regulatory Authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets comprising the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

The Fund does not have a separate legal personality but is instead an unincorporated contractual arrangement for the co-ownership of Transferable Securities and other liquid financial assets permitted by the Law of 2010 managed solely and exclusively in the interests of Unitholders whose rights are represented by the Units issued to them.

The Board draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the Unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

2. Nature of Sub-Funds

In accordance with the Management Regulations, the Board may issue Units in each Sub-Fund. A separate pool of assets and liabilities is maintained for each Sub-Fund and is invested in accordance

with the investment objectives and policies applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their asset allocation strategy. Each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of the Unitholders of the relevant Sub-Fund. A purchase of Units in one particular Sub-Fund does not give the holder of such Units rights in any other Sub-Fund. The net proceeds of subscriptions for Units of a Sub-Fund are separately invested and managed in accordance with the investment objectives and policies for such Sub-Fund. The assets comprising one Sub-Fund are not available to meet liabilities to third parties incurred by another Sub-Fund. Accordingly, each Sub-Fund will be exclusively responsible for all liabilities to third parties attributable to it. Costs and expenses that are incurred by the Fund as a whole are apportioned between the Sub-Funds as described in Section XXI. The Board may, at any time, create additional Sub-Funds. If they do, the Prospectus will be updated accordingly.

3. Classes of Units

The Board may decide to issue one or more Classes of Units for a Sub-Fund, each Class having: (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure and/or (iii) different Unitholder servicing or other fees and/or (iv) different types of targeted investors and/or (v) such other features as may be determined by the Board from time to time, including with respect to the distribution or capitalization of the income.

Units of different Classes within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Unit, increased or reduced by any applicable charges, as more fully described herein below.

Subject to applicable law and regulations, the Management Company may at its discretion, on a negotiated basis, enter into private arrangements with a distributor pursuant to which the Management Company makes payments to or for the benefit of such distributor which represent a rebate of all or part of the fees paid by the Fund to the Management Company. In addition, subject to applicable law and regulations, the Management Company or a distributor may at their discretion, on a negotiated basis, enter into private arrangements with a holder or prospective holder of units pursuant to which the Management Company or distributor is entitled to make payments to such holder of Units of part or all of such fees.

Consequently, the effective net fees payable by a Unitholders who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Unitholders who does not participate in such arrangements.

Distribution units may distribute a percentage of Net Asset, however, no distribution will be made if such distribution implies that the Net Asset of the funds fall under one million two hundred fifty thousand Euro (1.250.000 Euro).

4. Investment Strategies

The Fund offers the public the possibility of investing in a selection of securities and financial instruments as authorized by the Law of 2010, with a view to obtaining capital gain on the invested capital combined with high investment liquidity.

To this end, broad risk spreading is ensured both geographically and monetarily, and with respect to the types of financial instruments used, as defined in the investment policy of each of the Sub-Funds and appearing in the Sub-Funds' Appendices.

In any event, the Fund's assets are subject to market fluctuations as well as to the risks inherent in any investment in securities, and this means that the Fund cannot guarantee that it will meet its objectives.

Each Sub-Fund has its own distinct investment policy and investment objective. The specific investment policies and features of each Sub-Fund are described in detail in the Appendix of the relevant Sub-Fund.

5. The Management Company

The assets comprising each Sub-Fund are managed in the interest of its Unitholders by the Management Company, a public limited company ("*société anonyme*") incorporated under the laws of Luxembourg and in particular under Chapter 15 of the Law of 2010 and having its head office in Luxembourg.

The assets comprising the Fund are segregated from those of the Management Company and from those of other funds managed by the Management Company.

The Management Company is responsible for determining the investment objectives and policies of the different Sub-Funds and for the overall management and administration of the Fund.

Further information about the Management Company and its duties and responsibilities is set out in Section VII.3.

6. The Investment Manager

The Management Company has appointed, under the terms of investment management agreements, one Investment Manager for each Sub-Fund.

Each Investment Manager is entrusted with the duty to make the investment decisions for each Sub-Fund and placing purchase and sale orders for the Sub-Fund's transactions, subject to the overall control and supervision of the Management Company, and subject to the investment objectives and policies of the Sub-Fund.

7. The Management Regulations

The Management Company manages the assets comprising the Fund in accordance with the Management Regulations. The Management Regulations determine the contractual relationship between the Unitholders, the Management Company and the Depositary Bank.

The Management Regulations, which become effective on 7 March 2008, have been filed (and any amendments thereto shall be filed) with the *Registre de Commerce et des Sociétés Luxembourg*, where they may be inspected and copies may be obtained. A notice of the deposit with the *Registre de Commerce et des Sociétés* of Luxembourg of such Management Regulations was published on 25 March 2008 in the *Mémorial*. The last amendment to the Management Regulations were filed with the *Registre de Commerce et des Sociétés* of Luxembourg on 25 August 2014. A notice of the deposit with the *Registre de Commerce et des Sociétés* of Luxembourg of such Management Regulations was published on 28 August 2014 in the *Mémorial*.

A summary of the material provisions of the Management Regulations is set out in Section XI.

IV. INVESTMENT OBJECTIVES AND POLICIES

1. Investment Objectives and Policies of the Fund

The objective of the Fund is to make investments available to investors in Sub-Funds having different investment objectives and policies. Its primary investment objective is to realise capital growth for the benefit of Unitholders. The Fund will seek to achieve this objective, in accordance with the policies and guidelines established by the Board, by investing primarily in Transferable Securities and other liquid financial assets permitted by the Law of 2010 and the ESMA Q&As on the UCITS Directive dated 4 June 2019 (the "**ESMA Q&A**").

Derivative instruments may be used for investment, hedging and efficient portfolio management purposes, within the meaning of and under the conditions set out in circulars issued by the CSSF from time to time.

Each Sub-Fund may also hold cash and cash equivalents for not more than 20% as described in the Appendix pertaining to each Sub-Fund.

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. See "Risk Considerations" in Section V for a fuller discussion of certain potential risks associated with an investment in the Fund.

2. Investment Objectives and Policies of the Sub-Funds

The Board has determined the investment objective and policies of each Sub-Fund as described in the Appendix pertaining to each Sub-Fund. There can be no assurance that the investment objective for any Sub-Fund will be attained.

The pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the rules and restrictions set forth under Section XII. "Investment Restrictions" and Section XIII. "Techniques and Instruments and SFT and TRS".

V. ESG APPROACH

1. ESG Integration

ESG investing is the assessment of material environmental, social and governance ("ESG") issues during the investment process. It complements traditional research such as analysing financial statements, industry trends and company growth strategies.

ESG investing can be used in a variety of ways to achieve a wide range of investment goals including risk management, alignment with values and to enhance sustainable long-term performance and may be incorporated into the Investment Policy of a Sub-fund, as described in the schedule of the relevant Sub-fund.

To facilitate such various investment goals, the Investment Manager may apply ESG criteria as a core part of or ancillary to the investment policy of the Fund described in the schedule of the relevant Sub-fund.

As part of the investment process, the Investment Manager includes all relevant financial risks in its investment decision and evaluates them on an ongoing basis. This also takes into account relevant sustainability risks that can have a significant negative impact on the return on an investment, as well as the most important adverse effects of an investment decision on sustainability factors. Sustainability factors include environmental, social and employee issues, respect for human rights and the fight against corruption and bribery.

2. Main adverse effects on sustainability factors

Investment decisions and advice might cause, contribute to or be directly linked to effects on sustainability factors that are negative, material or likely to be material. The main adverse impacts on sustainability are those impacts of investment decisions that have a negative impact on sustainability factors. Further information from the Management Company on the measures taken to identify and prioritise the main adverse effects on sustainability factors and the measures taken to address them, as well as information on the participation policy of the Management Company and the Investment Manager, if applicable, are published at the website of the Management Company as from March 2021. Information on the main adverse impacts on sustainability factors of the Fund and its Sub-funds will be published in the annual report from the initial inclusion.

VI. RISK CONSIDERATIONS

An investment in the Fund will carry some degree of risk which will affect the value of an investment in the Fund, the investment performance of the Fund and the price of its Units. The following summarises the principal risks that apply to the Fund in general, and any Sub-Fund (subject to additional risk factors which are specific to a Sub-Fund and which are listed in the Appendix of the relevant Sub-Fund).

- **Sustainability risk** within the SFDR is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the Fund, its assets, the Index or an investment as well as on the reputation of a company and thus on the value of the investment. Sustainability risks can affect all known types of risk and contribute as a risk factor to the materiality of all the financial risk categories. Examples of such risks are market risk, liquidity risk, operational risk and counterparty risk.
- **ESG Investing Risk:** The Investment Manager's incorporation of ESG considerations in its methodology may cause the Fund to make different investments than funds that do not incorporate such considerations in their strategy or investment processes. Under certain economic conditions, this could cause the Fund's investment performance to be worse than funds that do not incorporate such considerations. The Investment Manager's incorporation of ESG considerations may affect the Fund's exposure to certain sectors and/or types of investments, and may adversely impact the Fund's performance depending on whether such sectors or investments are in or out of favour in the market. In constructing the Fund's portfolio, the Investment Manager is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause the Investment Manager to incorrectly assess a company's ESG performance.
- **Market risk** is the risk that the value of the securities in which a Sub-Fund invests may go up or down in response to the prospects of individual companies or securities issuers and/or general economic conditions.
- **Management risk** is the risk that a strategy used by an Investment Manager may fail to produce the intended results.
- **Liquidity risk** is the risk that a Sub-Fund will not be able to pay redemption proceeds within the time limits described in this Prospectus because of unusual market conditions, an unusually high volume of redemption requests or other reasons.
- **Currency risk** is the potential for price fluctuations in the value of foreign securities because of changing currency exchange rates.
- **Credit (or default) risk** is the risk that an issuer or guarantor of a security or a counterparty to a transaction may default on its payment obligations or experience a decline in credit quality. Generally, the lower the credit rating of a security, issuer, guarantor or counterparty, the greater the risk of default. Also, a downgrade in the credit quality of a security or its issuer or guarantor may cause the security to decline in value.
- **Derivatives risk** is the risk that loss may result from a Sub-Fund's investment in options, futures, swaps, structured securities and other derivative instruments.
- **Securities lending risk:** the use of securities lending transactions involves specific risks and may have an adverse impact on the performance of the Fund. If the counterparty defaults or fails to return the securities lent or does not return securities lent in a timely manner, the collateral provided may need to be sold and the lent securities at the prevailing price, which may lead to a loss in value of the Fund. Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. To the extent that the Fund engages in securities lending, such operational risks are managed by the Management Company through proper means.
- **Risks related to the use of SFT and TRS:** Liquidity risk: Any type of security that is not publicly traded (such as Rule 144A Securities) may be hard to value, and may be hard to sell at a desired time and price, especially in any volume. This also applies to securities that are publicly traded, but represent a small issue, trade infrequently, or trade on markets that are comparatively small or that have long settlement times. In addition to creating investment losses, liquidity problems could lead to a delay in the processing of Unitholder requests to redeem Units.
- **Counterparty risk:** The Sub-Fund could lose money if an entity with which it does business becomes unwilling or unable to meet its obligations to the Sub-Fund. If a counterparty fails to meet

its obligations, the Sub-Fund may have the right to try to recover any losses by using any collateral associated with the obligation. However, the value of collateral may be worth less than the cash or securities owed to the Fund, whether because of market action, inaccurate pricing, deteriorating issuer credit or market liquidity problems. If a counterparty is late in honouring its obligations, it could affect the Sub-Fund's ability to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems.

- **Custody / Sub-Custody Risk:** Assets of the Fund are held in custody by the Depository / sub-depository and investors are exposed to the risk of these counterparties not being able to fully meet their obligation to restate in a short timeframe all of the assets of the Fund. The Sub-Fund may incur losses resulting from the acts or omissions of the Depository / sub-depository bank when performing or settling transactions or when transferring money or securities.
- **Legal Risk:** There is a risk that agreements and derivatives techniques are terminated due to an example bankruptcy, supervening illegality, change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred. In addition, certain transactions are entered into on the basis of complex legal documents, such documents may be the subject to dispute due to interpretation in certain circumstances.
- **Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS)** Certain Sub-Funds may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds. ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.
- **High Yield Bonds** Certain high-yielding fixed-income securities rated below BBB- (S & P) or equivalent rating are very speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments. The attention of the potential investor is drawn to the type of high-risk investment that certain sub-funds are authorised to make. Compared to higher-rated securities, lower-rated high yielding fixed-income securities generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid. A Sub -Fund that invests in these securities may, in addition, continue to earn the same level of interest income while its net asset value diminishes due to portfolio losses. As a result, the yield of the Sub-Fund may increase despite actual loss of principal. Any investment involves risk and there can be no guarantee that the Sub-Fund will achieve its investment objective.
- **Taxation** Potential investors should consider the taxation risks associated with investing in the Fund. Further details are provided below in Section XXIX.
- **Political and/or Regulatory risks** The value of the assets comprising a Sub-Fund 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 investments may be made. Furthermore, in certain countries in which investments may be made, the legal and securities market infrastructure (including the custodial, depository and securities settlement systems operating in such countries) and the accounting, corporate governance and reporting standards in such countries may not provide the same degree of investor protection or information to investors as would generally apply in the more major securities markets. As some of the Sub-Funds may invest in markets having some or all of these characteristics, the assets comprising the Sub-Fund which are traded in such markets may be exposed to additional risk.

- **MIFID** Laws and regulations introduced by Member States of the EU to implement MiFID II and the EU's Markets in Financial Instruments Regulation ("MiFIR"), which came into force on 3 January 2018 impose new regulatory obligations and costs on the investment manager and the Investment Manager. The impact of MiFID II on the EU financial markets and on EU investment firms which offer financial services to clients is expected to be significant. The exact impact of MiFID II on the Sub-Funds, the Manager and Investment Manager remains unclear and will take time to quantify. In particular, MiFID II and MiFIR will require certain standardised OTC Derivatives to be executed on regulated trading venues. It is unclear how the OTC Derivatives markets will adapt to these 67 new regulatory regimes and how this will impact on the Sub-Funds. MiFID II and MiFIR will introduce for the first time within the EU position limit and position reporting requirements in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known, as the implementation measures are not yet finalised. However, it is possible that these measures will impose restrictions on the positions that the Fund, and the Investment Manager on behalf of all accounts owned or managed by it, may hold in certain commodity derivatives and will require the Investment Manager to more actively monitor such positions. If the Fund and or the Investment Manager's positions reach the position limit thresholds, they will be required to reduce those positions in order to comply with such limits. In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. Under MiFID II, pre- and post-trade transparency regimes are extended from equities traded on a regulated market to also cover equity-like instruments (such as depository receipts, exchange-traded funds and certificates that are traded on regulated trading venues) and non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other trading venues, may mean greater disclosure of information relating to price discovery becoming available and may have an adverse impact on trading costs.
- **Investments in other UCI and/or UCITS:** The value of an investment represented by a UCI in which a Sub-Fund invests, may be affected by fluctuations in the currency of the country where such UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value per Units will fluctuate mainly in light of the net asset value of the targeted UCIs.
- **Duplication of fees:** There may be duplication of investment management fees and other operating fund related expenses, each time a Sub-Fund invests in other UCIs and/or UCITS. If a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Sub-Fund's Investment Manager or by any other company with which the Sub-Fund's Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Sub-Fund's Investment Manager or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs. If a Sub-Fund invests in the units of other UCIs and/or UCITS, the maximum proportion of investment management fees charged both to the Sub-Fund itself and to the UCIs

and/or UCITS in which the Sub-Fund invests shall be disclosed in the annual report of the Fund and shall be in compliance with the limits set out in the relevant Sub-Fund Schedule.

- **Emerging Markets:** Potential investors should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential investors should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.
- **Specific risk factors for Russia:** Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. Ownership of Russian securities is evidenced by entries in the books of a company or its registrar (which is neither an agent of, nor responsible to, the Depositary Bank). No certificates representing ownership of Russian companies will be held by the Depositary Bank or any of its local correspondents or in an effective central depository system. As a result of this system, as well as the uncertainties around the efficacy and enforcement of state regulation, the Fund could lose its registration and ownership of Russian securities through fraud, negligence or otherwise. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover losses due to theft, destruction or default while such assets are in custody.

The foregoing risk factors do not purport to be a complete list of the risks involved in investing in the Fund. Prospective investors should read the entire prospectus and fully evaluate all other information that they deem to be necessary to determine whether or not to invest in the Fund. Prospective investors should ensure that they fully understand the content of this prospectus and should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser for advice.

All these risks are correctly identified, monitored and mitigated according to CSSF's Circulars 11/512, as amended by CSSF's Circular 18/698, and 14/592.

VII. MANAGEMENT OF THE FUND

Fondaco Lux S.A. is the Management Company of the Fund.

1. General information

The Management Company is organized as a public limited company ("*société anonyme*") under the laws of the Grand Duchy of Luxembourg and in particular under Chapter 15 of the Law of 2010. It has its head office and its registered office in Luxembourg City. Its issued share capital amounts to Euro 1,000,000.00 and represented by 10,000 Shares of Euro 100 each, are held by Fondaco S.G.R. S.p.A., Turin -Italy.

The Management Company was incorporated on 7 March 2008 for an unlimited period of time. The Management Company has been registered under number B 137128 at the *Registre de Commerce et des Sociétés* of Luxembourg. The initial articles of incorporation of the Management Company have been published in the *Mémorial* on 15 April 2008 and were lastly amended on 10 September 2014.

2. Conduct of the business of the Management Company

In compliance with the provisions of Chapter 15 of the Law of 2010, the business of the Management Company is conducted by the delegates of the Board listed in Section I of Part I.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 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 and the ESMA Q&A.

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the Fund's Management Regulations or the present Prospectus.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Fund and of the Unitholders, and includes measures to avoid conflicts of interest.

Variable remuneration is paid on the basis of the assessment of performance which is set in a multi-year framework appropriate to the holding period recommended to the Unitholders in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The updated remuneration policy containing further details and information in particular on how the remuneration and advantages are calculated and the identity of the persons responsible for the attribution of the remuneration and advantages (including the members of the remuneration committee) is available at https://www.fondacosgr.it/Fondaco_eng/documentilux.html. A hand copy of the remuneration policy or its summary may be obtained free of charge upon request at the registered office of the Fund.

The remuneration policy is reviewed at least on annual basis by a remuneration committee whose role and composition is further described at https://www.fondacosgr.it/Fondaco_eng/documentilux.html.

3. Role and responsibilities of the Management Company

In accordance with the Management Regulations and the provisions of Chapter 15 of the Law of 2010, the Management Company manages the assets comprising the Fund in its own name, but for the sole benefit of the Unitholders of the Fund.

In particular, the Management Company:

- will determine the investment policy of each Sub-Fund within the investment objectives set forth in Section IV and the investment restrictions set forth in Section XII;
- has the broadest powers to administer and manage each Sub-Fund within its applicable investment restrictions, including but not limited to the purchase, sale, subscription, exchange and receipt of securities and other assets permitted by the Law of 2010 and the exercise of all rights attached directly or indirectly to the assets comprising the Fund; and
- acts as the Fund's administrator, registrar and transfer agent. In such capacity, it is responsible for handling the processing of subscriptions for Units, dealing with requests for repurchase and conversion and accepting transfers of funds, for the keeping of the register of Unitholders and providing and supervising the mailing of statements, reports, notices and other documents to the Unitholders.

4. Delegation of functions by the Management Company

In order to conduct its business more efficiently, the Management Company may delegate to third parties the power to carry out on its behalf one or more of its functions in compliance with the Management Regulations and the provisions of Chapter 15 of the Law of 2010.

In particular, the Management Company may enter into a written agreement with one or more third parties to act as investment manager for one or several Sub-Funds and to provide such other services as may be agreed upon by the Management Company and such third party.

VIII. INVESTMENT MANAGERS

The Management Company has selected and appointed one Investment Manager per Sub-Fund, and details about each such Investment Manager are set out in the relevant Appendix.

The Investment Managers are appointed on standard terms approved by the Management Company, subject to such standard terms being amended during the course of negotiation with the Investment Manager.

Each Investment Manager has been selected based upon its expertise in a field relevant for the investment policy of the Sub-Fund for which it is going to act.

Each Investment Manager is to apply to that part of the assets comprising the Sub-Fund under its management such investment policy, limitations, financial techniques and instruments as specified in this Prospectus, the Management Regulations or such further restrictions as agreed to with each such Investment Manager, from time to time.

It is understood that the overall investment restrictions set out in this Prospectus take precedence over any other guidelines or restrictions agreed with the Investment Managers.

Each Investment Manager is to be paid fees, out of the assets of the relevant Sub-Fund, as such fees are agreed from time to time between the Investment Manager and the Management Company.

IX. DEPOSITARY AND PAYING AGENT

CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310 is acting as depositary of the Fund (the "Depositary") in accordance with a depositary agreement dated 28 July 2016 as amended from time to time (the "Depositary Agreement") and the relevant provisions of the Law of 2010, the UCITS Directive and any Luxembourg (and/or European) rules applicable to UCITS (the "UCITS Rules").

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the Fund, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary. The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Compartments' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law of 2010. In particular, the Depositary shall ensure an effective and proper monitoring of the Fund' cash flows.

In due compliance with the UCITS Rules the Depositary shall:

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

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause. In compliance with the provisions of the Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents/third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law of 2010.

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

- (i) identifying and analysing potential situations of conflicts of interest;
- (ii) recording, managing and monitoring the conflict of interest situations either in:
- (iii) relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
- (iv) implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm’s length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

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

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

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

X. ADMINISTRATIVE AGENT

CACEIS Bank Luxembourg Branch has also been appointed by the Management Company, as the Administrative Agent of the Fund. CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank (“ECB”) and the *Autorité de contrôle prudentiel et de résolution* (“ACPR”). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

This Central Administration Services Agreement has been concluded for an indefinite duration and may be terminated by either party in writing with three months’ notice.

As such, CACEIS Bank Luxembourg is responsible for the central administration functions required by Luxembourg law, and in particular for the calculation of the Net Asset Value and the bookkeeping of the Fund.

In its capacity as the transfer and registration agent, CACEIS Bank, Luxembourg Branch shall in particular reconcile subscription, redemption and conversion applications and keep and maintain the register of unitholders of the Fund. In such capacity it is also responsible for supervising anti-

money laundering measures under the AML Regulations. CACEIS Bank, Luxembourg Branch may request documents necessary for identification of investors. For its services, CACEIS Bank, Luxembourg Branch shall receive remuneration as detailed in the Central Administration Services Agreement.

XI. MANAGEMENT REGULATIONS

By acquiring Units in the Fund, every Unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the Unitholders, the Management Company and the Depositary Bank.

Subject to the approval of the Depositary Bank and in accordance with Luxembourg law, the Management Regulations may be amended by the Management Company at any time, in whole or in part.

Amendments to the Management Regulations will become effective on the date of the publication in the RESA of a mention of their filing with the *Registre de Commerce et des Sociétés* of Luxembourg, if not otherwise provided in the relevant document amending the Management Regulations.

XII. INVESTMENT RESTRICTIONS

The Board of Directors of the Management Company shall, based upon the principle of risk spreading, have power to determine the investment policy for the investments for each Sub-Fund, the Reference Currency and, as the case may be, Unit currency of Units in a Sub-Fund and generally the course of conduct of the management and business affairs of the Fund.

While managing the assets comprising any Sub-Fund for the benefit of the Unitholders, the Management Company and the Investment Managers shall comply with the restrictions set out in this Section, for any Sub-Fund, subject to additional restrictions as may be set out in the Appendix pertaining to that Sub-Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund as described in the relevant Appendix, the investment policy shall comply with the rules and restrictions laid down hereafter:

1. Investments by the Fund shall consist solely of:

- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- b) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State.
- c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on an Other Regulated Market in a non-Member State.
- d) Recently issued Transferable Securities and Money Market Instruments provided that:
 - the terms of issue of such Securities and Instruments include an undertaking that application will be made for admission to official listing on a stock exchange or to an Other Regulated Market referred to in a), b) and c) above; and
 - such admission is secured within one year of the issue.
- e) Shares or units of UCITS authorized according to the UCITS Directive and/or other UCI within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, should they be situated in a Member State or not, provided that:
 - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law and that cooperation between authorities is sufficiently ensured;
 - the level of protection for unit- or unitholders in such other UCIs is equivalent to that provided for unit- or unitholders in a UCITS, and in particular that the rules on asset

- segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of such other UCIs is reported in at least half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
 - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to their constitutional documents, invested in aggregate in shares or units of other UCITS or other UCIs.
- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, such credit institution is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law.
- g) Financial derivatives (within the limits of the Circular CSSF 14/592), including equivalent cash settled instruments, dealt in on a regulated market referred to in a), b) and c) above, and/or financial derivative instruments 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 in accordance with its investment objectives;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
 - 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 Fund's initiative.
- h) Money Market Instruments other than those dealt in on Regulated Markets or Other Regulated Markets referred to in a), b) and c) and other than Money Market Instruments, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Markets referred to under a), b) or c) above; or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this Section 1 h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) 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 (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. **Unless further restricted by the investment policies of a Sub-Fund as described in Appendix of the relevant Sub-Fund, each Sub-Fund may however:**
- a) Invest up to 10% of the net assets comprising each of the Sub-Funds in Transferable Securities and Money Market Instruments other than those referred to under Section 1) a) through h) above.
 - b) Hold ancillary liquid assets.
 - c) Borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis.
 - d) Acquire foreign currencies by means of back-to-back loans.

3. **In addition, the Fund shall comply with the following investment restrictions per issuer:**

a) Rules for risk spreading:

Transferable Securities and Money Market Instruments

- (1) A Sub-Fund may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.
The total value of the Transferable Securities and Money Market Instruments held by the Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits and OTC transactions made with financial institutions subject to prudential supervision.
- (2) The 10% limit set out in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (3) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-Fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's net assets.
- (4) The values mentioned in (2) and (3) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) above.
- (5) **NOTWITHSTANDING THE LIMITS INDICATED ABOVE, AND IN ACCORDANCE WITH THE PRINCIPLE OF RISK-SPREADING, EACH SUB-FUND IS AUTHORISED TO INVEST UP TO 100% OF ITS ASSETS IN TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ISSUED OR GUARANTEED BY EEE COUNTRIES, G20 COUNTRIES AND OECD COUNTRIES, THEIR LOCAL AUTHORITIES, OR THEIR PUBLIC INTERNATIONAL BODIES, PROVIDED THAT (I) THESE SECURITIES CONSIST OF AT LEAST SIX DIFFERENT ISSUES AND (II) SECURITIES FROM ANY ONE ISSUE MAY NOT ACCOUNT FOR MORE THAN 30% OF THE SUB-FUND'S NET ASSETS.**
- (6) (a) Without prejudice to the limits set out in (b) below, the limits set out in (a) above are raised to maximum 20% for investment in units and/or debt instruments issued by the same body and when the Sub-Fund's investment policy is aimed at duplicating the composition of a certain stock or debt securities index, which is recognised by the Regulatory Authority and meets the following criteria:
 - the index's composition is sufficiently diversified;

- the index represents an adequate Benchmark for the market to which it refers; and
- the index is published in an appropriate manner.

(b) The 20% limit is increased to 35% where that proves to be justified by exceptional conditions, in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

Bank deposits

- (7) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same entity.

Derivative Instruments

- (8) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in f) in Section 1 above, or 5% of its net assets in the other cases.
- (9) The Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (6(a)), (15) and (16). When the Sub-Fund invests in index-based derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (7), (16) and (17).
- (10) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in (11), (15) and (16), and when determining the risks arising on transactions in derivative instruments.
- (11) With regard to derivative instruments, each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed its total net assets.
The risks exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Share or units in open-ended funds

- (12) Each Sub-Fund may not invest more than 20% of its assets in shares or units of a single UCITS or other UCI referred to in 1) e) above. For the purpose of the application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- (13) Investments made in units of UCIs other than UCITS may not exceed in aggregate 30% of the assets of a Sub-Fund.
- (14) When the Fund invests in the shares or units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the shares or units of other UCITS and/or other UCI.
- (15) If the Fund shall decide to invest in respect to a particular Sub-Fund a substantial proportion of its assets in other UCITS and/or UCIs referred to in the preceding paragraph, the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it intends to invest will be disclosed in the Appendix pertaining for a Sub-Fund.

Combined limits

- (16) Notwithstanding the individual limits laid down in (1), (7) and (8), the Fund, for each Sub-Fund may not combine:
- investments in Transferable Securities or Money Market Instruments issued by;
 - deposits made with; and/or
 - exposures arising from OTC derivatives transactions undertaken with;
- a single body in excess of 20% of its net assets.

- (17) The limits set out in (1) to (4), (7) and (8) cannot be combined. Thus, investments by each Sub-Fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (4), (7) and (8) may not exceed a total of 35% of the net assets comprising the Sub-Fund. Companies of the same Group of Companies are regarded as a single body for the purpose of calculating this 35% limit.

A Sub-Fund may invest in aggregate up to 20% of its net assets in Transferable Securities and Money Market Instruments with the same Group of Companies.

b) Restrictions with regard to control

- (18) No Sub-Fund may acquire such amount of units carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- (19) The Fund may acquire no more than:

- (i) 10% of the outstanding non-voting units of the same issuer,
- (ii) 10% of the outstanding debt securities of the same issuer,
- (iii) 25% of the outstanding units or units of the same UCITS and/or other UCI,
- (iv) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

- (20) The limits set out in (18) and (19) are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- Shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the relevant Sub-Fund can invest in the securities of issuing bodies of that State and provided that the investment policy of the fund complies with regulations governing risk diversification and restrictions with regard to control set out herein; and
- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the units at the unitholders request exclusively on its or their behalf.

4. Furthermore, the Fund is subject to the following restrictions:

- (i) No Sub-Fund may acquire either precious metals or certificates representing them.
- (ii) No Sub-Fund may acquire real estate, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (iii) No Sub-Fund may issue warrants or other instruments giving holders the right to purchase Units in such Sub-Fund.
- (iv) Without prejudice to the possibility of a Sub-Fund to acquire debt securities and to hold bank deposits, a Sub-Fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Sub-Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.
- (v) A Sub-Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

5. Cross investment sub-fund

A Sub-Fund may, subscribe, acquire and / or hold securities to be issued or issued by one or more Fund Sub-Funds under the condition however that:

- (i) the target Sub-Fund does not in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- (ii) no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to its investment policy, be invested in aggregate in units of other UCIs; and
- (iii) voting rights if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (iv) in any event for as long as these securities are held by the Sub-Fund. their value will not be taken into consideration for the calculation of the net assets of the UCI for the purposes of verifying the minimum threshold of the net assets imposed by this Law.

6. Master/Feeder

Under the conditions set forth in the Law of 2010 and regulations, the Board of Directors of the Management Company may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the sales documents of the Fund, (i) create any Sub-Fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert the Fund into a master or feeder UCITS, (iii) convert any existing Sub-Fund into a master or feeder UCITS Sub-Fund or (iv) change the master UCITS of any of its feeder UCITS Sub-Funds. In any such a case the Prospectus will be amended accordingly.

7. Notwithstanding the above provisions:

- (i) Each Sub-Fund need not necessarily comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which already form part of such Sub-Fund's portfolio.
- (ii) If the limits referred to above are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.
- (iii) The Management Company, on behalf of the Fund, employs a risk-management process which enables it with the Investment Manager of the relevant Sub-Fund, to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-Funds. The Management Company employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.

Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.

If disclosed in the Appendix pertaining for a Sub-Fund, certain Sub-Funds may apply a Value-at-Risk (VaR) approach to calculate their global exposure.

The global exposure of each Sub-Fund relating to derivative instruments may 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 shall also apply to the next two sub-paragraphs.

If the Fund invests in derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in (1) to (6) (a), (16) and (17) above. When the Fund invests in index-based derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (5), (7), (16) and (17) above.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding subparagraph.

XIII. TECHNIQUES AND INSTRUMENTS AND SFT AND TRS

1. General

Securities lending agreements below will be used for efficient portfolio management purposes within the meaning of and under the conditions set out in circulars issued by the CSSF from time to time and the ESMA Q&A.

The Fund will employ securities financing transactions ("SFT"), total return swaps ("TRS") and liquidity swaps as described in the section "SFT and TRS" hereunder and techniques and instruments related to Transferable Securities and Money Market Instruments provided that such techniques or instruments are considered by the Management Company as economically appropriate to the efficient portfolio management of the Fund in accordance with the investment objectives of each Sub-Fund. In doing so, the Fund shall comply with EU Regulation 2015/2365 on transparency of securities financing transactions and or reuse of 25 November 2015 ("SFTR"). Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-Fund specific text in this Prospectus. Such techniques and instruments will be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

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

Revenues arising from efficient portfolio management techniques (including, for the avoidance of doubt, SFT and TRS, as this term is further defined below) will be returned to the Sub-Fund concerned after deduction of direct and indirect operational costs and fees as described under the paragraph below.

In particular, fees and costs will be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation

of their services. Such fees are calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. No more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Fund as direct and indirect operational expenses. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid are disclosed to investors.

No more than 100% of the net assets of a Sub-Fund will be subject to total return swaps, securities lending transactions, except as otherwise provided in the relevant Sub-Fund.

The selection of counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating. Details of the selection criteria and a list of approved counterparties are available from the registered office of the Management Company.

The securities lending transactions in relation to each Sub-Fund are facilitated by BNP Paribas Securities Services, Luxembourg Branch as lending agent.

SFT and TRS

a) General provisions related to SFT and TRS

For the purposes of SFTR, SFT shall include:

- Securities or commodities lending and securities or commodities borrowing;
- A buy-sell back transaction or sell-back transaction.

The Fund may, provided this is mentioned in each Sub-Fund particularities, make use of TRS and of the following SFT:

- securities lending and borrowing;
- buy-sell back transactions;
- sell-buy back transactions.

"Securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred. The expected and maximum proportion of assets under management that will be subject to SFTs as well as if the securities lending will be used on a continuous basis will be disclosed under the relevant Sub-Fund schedule. The rationale to use securities lending is to generate additional income.

The use of securities borrowing, buy-sell back transactions and sell-buy back transactions will be dependent on market conditions.

The Fund and any Sub-Funds will further enter into swap contracts relating to any financial instruments or indices, including TRS. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRS is possible, it is currently not contemplated.

The Fund or any of its delegates will report the details of any SFT and TRS concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. SFT and TRS may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The assets that are subject to SFT and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The maximum proportion of assets under management of the Fund that can be subject to SFT and TRS as well as the current expected proportion of assets under management that will be subject to SFT and TRS will be disclosed in the relevant Sub-Fund annex.

The Fund will collateralize its SFT and TRS pursuant to the provisions set forth hereunder in section “Management of collateral and collateral policy”.

The risks linked to the use of SFT and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described in Section V of the Prospectus.

Assets subject to SFT and TRS will be safe-kept by the Depositary.

Total Return Swap

Sub-Funds may use **TRS** in compliance with the provisions applicable to TRS under the SFTR. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the total return swap.

The following types of assets can be subject to total return swaps: fixed income mutual funds, ETFs, closed-end funds, listed futures contracts, FX, FX forwards, options, CFDs, OTC credit derivatives, bonds, convertible bonds, MLPs, preferred stocks, listed stock.

The risk of counterparty default and the effect on investors returns are described under Section V of the Prospectus “Risk Considerations”, risks related to the use of SFT and TRS.

Assets subject to SFT and TRS will be safe-kept by the Depositary.

2. Securities lending transactions

The Management Company, on behalf of the Fund, will more specifically engage in securities lending provided that such transactions comply with the rules set up in CSSF Circular 08/356.

- (1) The Fund may lend the securities included in its portfolio to a borrower either directly or through a standardised lending system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transactions.

In all cases, the counterparty to the securities lending agreement (*i.e.*, the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

If the Fund lends its securities to entities that are linked to the Fund by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.

- (2) The UCITS must receive, previously or simultaneously to the transfer of the securities lent, a guarantee which complies with the requirements expressed under section II (b) of CSSF Circular 08/356 and CSSF Circular 14/592. At maturity of the securities lending transaction, the guarantee will be remitted simultaneously or subsequently to the restitution of the securities lent.

For each securities lending transaction, the Fund must receive a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 90% of the global valuation (interest, dividends and other eventual rights included) of the securities lent.

In case of a standardised securities lending system organised by a recognised clearing institution or in case of a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Fund a guarantee in compliance with the requirements expressed under section II (b) of CSSF Circular 08/356.

If the guarantee was given in the form of cash, such cash may be reinvested by the Fund in accordance with provisions of section III of CSSF Circular 08/356.

- (3) The Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Fund's assets in accordance with its investment policy.
- (4) In its financial reports, the Fund must disclose the global valuation of the securities lent on the date of reference of these reports.

3. Management of collateral and collateral policy

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, each Sub-Fund concerned will receive collateral with a view to reduce its counterparty risk. This Section sets out the collateral policy applied by the Management Company on behalf of the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this Section.

Eligible Collateral

Collateral received by the Fund are used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars and SFTR issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place; daily mark-to-market and daily variation margins will be used;
- (iii) It should be marked to market daily, it being understood that the Fund makes use of daily variation margins;
- (iv) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (v) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received;
- (vi) It should be capable of being fully enforced by the Management Company on behalf of the Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

- (i) Cash and cash equivalents, including short-term bank certificates and money market instruments;
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (v) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Level of Collateral

The Management Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Disclosure to Investors

In connection with the use of techniques and instruments the Fund will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- the use of TRS and SFT pursuant to the SFTR.
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

Haircut Policy

While engaging into OTC financial derivatives and efficient portfolio management techniques, the Fund shall, at all times, comply with Management Company's collateral policy, all in accordance with the ESMA guidelines on ETFs and other UCITS issues (ESMA/2014/937).

Eligible collateral consists of high credit quality, diversified and liquid assets. Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Management Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Management Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

These eligible assets are defined in the Collateral Policy as cash and "high quality" securities: this means they have to respect the investment grade ratings defined as long term ratings: S&P: between AAA and BBB-/Moody's: between Aaa and Baa3.

The Fund, after haircut, is 100% collateralized (105% for the security lending operations) and apply haircuts of 30% to 50% for equity collateral, 20% to 40% for corporate bond collateral, 5% to 10% for lower than AA- government bond collateral depending on maturity up to thirty (30) years; 0% for higher than AA- government bond collateral (bonds issued by OECD, Supranational entities, government agencies).

Non cash collateral received is not sold, re-invested/re-used or pledged and its market value, after applied haircuts, is at least 100% of the counterparty exposure value.

Reinvestment of Collateral

Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

Cash collateral received by the Fund can only be:

- (i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds;
- (iii) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out under the Section "Eligible Collateral" above.

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned to the counterparty at the conclusion of the transaction. The respective Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to such Sub-Fund.

XIV. MONEY LAUNDERING AND TERRORISM FINANCING PREVENTION

Pursuant to the amended Luxembourg law of 7 July 1989 to combat drug addiction, the amended Luxembourg law of 5 April 1993 relating to the financial sector, the Luxembourg law of 12 November 2004 relating to the combat of money laundering and the financing of terrorism and related circulars published by the Regulatory Authority or its predecessors, as amended from time to time and any other

applicable law relating to the prevention of money laundering and terrorism financing to which the Fund is subject; obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorism financing purposes. Within this context a procedure for the identification of Unitholders has been imposed requiring each non-individual Unitholder to provide certified copies of its articles of incorporation or similar constitutional documents and, where applicable, an extract from the commercial register and/or such other evidence of identification as may be required. Unitholders who are individuals must provide certified copies of identification or a valid passport and/or such other evidence of identification as may be required. Failure to provide proper documentation may result in a rejection of the subscription or the withholding of redemption proceeds.

This identification procedure must be complied with by the Management Company acting as administrator both in the case of direct subscriptions to a Sub-Fund and in the case of subscriptions received by the Sub-Fund from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering and terrorism financing. It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force ("*Groupe d'Action Financière*") are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

XV. BENCHMARK CONTINGENCY PLAN

Investors should note that, in accordance with the requirements of Regulation (EU) 2016/1011 of the European Parliament and Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the "Benchmark Regulation"), the indices used as benchmark are disclosed in the Schedule of the relevant Sub-Fund.

Unless otherwise disclosed in this Prospectus, the indices used as benchmarks by the Sub-funds (as "use" is defined in the Benchmark Regulation) are, as at the date of this Prospectus, provided by benchmark administrators who appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated Information whether the benchmark is provided by an administrator included in the ESMA register of EU benchmark administrators and third country benchmarks is available from ESMA website.

EU-based administrators of benchmarks that are used for tracking or performance fee calculation must be registered with ESMA. Administrators based outside the EU must register each benchmark individually, and have until 1 January 2022 to do so; until that date, any UCITS can use these benchmarks whether they are registered or not. Investors should note that, in accordance with the requirements of Benchmark Regulation, the Management Company maintains robust written plans and therefore has adopted a Benchmark contingency plan as required by article 28(2) of the Benchmark Regulation (the "Benchmark Contingency Plan") detailing the steps which the Management Company would take with respect to the relevant Sub-Fund in the event that a benchmark materially changes, ceases to be provided, or loses its applicable ESMA registration. A

Actions taken by the Management Company on the foot of the Benchmark Contingency Plan may result in changes to the investment objectives or investment policies of a Sub-Fund and any such changes will be notified to investors and implemented in accordance with the requirements of the CSSF and the terms of this Prospectus.

Investors may obtain copies of the Benchmark contingency plan, free of charge, at the registered office of the Fund, during normal business hours on any Banking Day.

XVI. UNITS

1. Classes of Units

There may be within each Sub-Fund, different Units Classes, as specified in the Appendix of the relevant Sub-Fund. In particular there may be capitalisation and distribution Units. Capitalisation Units do not entitle their holders to any distribution as the income pertaining to such Units is automatically reinvested and added to the relevant Sub-Fund and will thus contribute to a further increase of the Net Asset Value of the relevant capitalisation Units.

Class I is reserved to institutional investors within the meaning of article 174 of the Law of 2010 (the "Institutional Investors"). Class I1 is available to RBC Investor & Treasury Services. Class A is available for subscription by the Management Company, the Sponsor, their Affiliates as well as their managers and senior managers, as well as the employees of the Management Company and of the Sponsor. Class Z is reserved to Institutional Investors within the meaning of article 174 of the Law of 2010 with a different minimum initial subscription amount than the investors in Class I, as more particularly described in Schedule 1 in relation to each Sub-Fund.

2. Minimum Subscription/Holding

The minimum initial subscription amount for Units, any subsequent subscription for Units and any minimum holding of Units in a Sub-Fund and/or Class will be indicated in the relevant Sub-Fund Appendix.

3. Currency of payment

Subscription monies are normally payable in the currency of denomination of the relevant Class of the relevant Sub-Fund. If, however, a Unitholder requests to pay in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the CACEIS Bank Luxembourg, upon instruction of the Management Company on behalf of and for the account risk and expense of the Unitholder.

4. Rights attaching to Units

All Units must be fully paid up and are of no par value and carry no preferential or pre-emptive rights. Each Unit is indivisible with respect to the rights conferred to it. In their dealings with the Management Company or the Depositary Bank, the co-owners or disputants of Units, as well as the bare owners and the beneficiaries of Units ("*usufruitiers*"), must be represented by the same person. The exercise of rights attached to the Units may be suspended until these conditions are met. Each Unit of a Sub-Fund represents the proportion of the assets and a liability comprising the Sub-Fund to which each Unitholder is beneficially entitled and ownership of Units shall entitle a Unitholder to participate and share in the property of the relevant Sub-Fund including, without limitation, the income of the relevant Sub-Fund as it arises.

All Units within each Class shall have equal rights as to income entitlement, redemption, and proceeds in a liquidation, although Classes of Units may carry different fee structures or minimum subscription or redemption amounts, as described in the Appendix of the relevant Sub-Fund.

Neither the Unitholders nor their heirs or successors or their creditors may request the liquidation or the sharing out of the Fund or any Sub-Fund nor shall they have any rights with respect to the representation and management of the Fund or any Sub-Fund and their death, incapacity, failure or insolvency shall have no effect on the existence of the Fund or any Sub-Fund.

No general meetings of Unitholders shall be held and no voting rights shall be attached to the Units. Unitholders of a Sub-Fund will be liable for all liabilities of the Sub-Fund, but the liability of any one Unitholder will be limited to the value of that Unitholder's holding in the Sub-Fund. The Unitholder shall not be required to make any further payment into the Sub-Fund in relation to liabilities of the Sub-Fund.

Fractions of registered Units will be issued to four decimal places or one ten thousandth of a Unit whether resulting from a subscription or exchange of Units. Such fractional Units shall be entitled to beneficial ownership of the assets and liabilities comprising the relevant Sub-Fund and to participate on a pro rata basis in the income of the relevant Sub-Fund.

Any request for subscription, redemption or conversion of Units, the procedures for which are described below, will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit, as described in Section XXII below.

5. Late trading and market timing

Late trading ("Late Trading") is to be understood as the acceptance of a subscription or redemption order after the cut-off time for the relevant Valuation Day and the execution of such order at the Price applicable on such Valuation Day.

Market Timing ("Market Timing") is to be understood as an arbitrage method through which an investor systematically subscribes and redeems Units 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 concerned.

Notwithstanding the subscription, redemption and conversion procedures set out below, subscriptions, redemptions or conversions are at all times subject to rules on late trading and market timing.

The Management Company shall comply with any relevant provisions contained in CSSF Circular 04/146 of 17 June 2004 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices.

In this respect, no subscriptions or redemptions received by the Management Company will be accepted after the relevant cut-off time except for subscriptions or redemptions received by the distributor and intermediaries which undertake to apply the cut-off time to all such orders and transmit the orders to Luxembourg within a reasonable period of time. It is further reminded that subscriptions or redemptions will be dealt on a forward pricing basis as more fully described above.

In order to protect the interests of the Management Company and the Unitholders against Market Timing practices, the Management Company reserves the right to reject any application to subscribe for Units from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary.

XVII. SUBSCRIPTIONS FOR UNITS

1. Application Procedure

The Management Company shall be authorised to issue Units at all times and without restriction.

Applications for Units may be made by submitting a completed Application Form to the Management Company at its registered office. Application Forms may be faxed, sent by post or delivered in person and must contain such undertakings and other information as the Management Company considers appropriate. Applications for Units made by existing Unitholders may be made by written request submitted to the Management Company by fax, post or delivered in person. Investors must complete and sign the Application Form, subject to acceptance by the Management Company.

The Management Company may reject any subscription in whole or in part, in that case, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

Except as otherwise provided for in the relevant Sub-Fund Appendix, the subscription lists shall be closed at 4 p.m. (CET) on the Banking Day preceding the applicable Valuation Day (the "**Dealing Day**"). Subscription applications received after 4 p.m. (CET) on a Dealing Day shall be deemed to have been received prior to 4 p.m. (CET) on the following Dealing Day

The subscription price shall correspond to the Net Asset Value determined on the first Valuation Day following the Dealing Day when the Management Company accepted the subscription application,

increased by any subscription charge for the benefit of any financial intermediary, the rate of which is fixed in each Sub-Fund Appendix. The subscription price shall be available on the next Banking Day following the relevant Valuation Day.

The minimum initial investment for each Class of Units of each Sub-Fund is specified in the Appendix of the relevant Sub-Fund. The Board of Directors may, at its discretion, waive such minimum limits subject to the respect of the principle of equal treatment of unitholders.

Costs, taxes and stamp duties which might be payable in the various countries in which the Units are offered may be added to the subscription price.

The applicable maximum sales charge levied in connection with the Units of the Fund is given in the relevant Appendix. Subscription applications shall be settled pursuant to the provisions set forth under paragraph "*Payment for Subscriptions*" hereafter.

The Board does not anticipate permitting subscriptions in kind but may, in its absolute discretion; accept a subscription payment for Units in kind rather than in cash. If a subscription in kind is permitted, the relevant Sub-Fund shall receive assets of a value equal to the subscription payment to which it would otherwise be entitled. Any such contribution in kind will be valued in a report of the Fund's Auditor the costs of which will be borne by the contributing investors.

2. Payment for Subscriptions

Payment must be received within three (3) Banking Days after the Valuation Day. Any taxes incurred on the sale of Units shall also be charged to the investor. Purchase monies shall be paid in Euro. Payment shall be effected by bank transfer to the bank accounts of the Depositary Bank, details of which are given on the Application form. The sale of Units shall be made upon the receipt of the sales price with the correct value date by the Depositary Bank.

3. Powers of the Management Company with respect to Unit issues

Notwithstanding the above, the Management Company may, at its own discretion, decide that the subscription application will only be accepted following the receipt of cleared funds by the Depositary Bank

The minimum value or number of Units which may be held by a Unitholder in a particular Unit Class is set out the relevant Sub-Fund Appendix. Such minimum holding requirement may be waived in any given case at the sole discretion of the Management Company. Purchases and redemptions of fractional Units shall be permitted up to four decimal places. A holding of fractional Units shall entitle the Unitholder to proportional rights in relation to such Units. It is possible that clearing institutions will be unable to process holdings of fractional Units. Investors should verify whether that is the case.

Should physical Unit certificates be required, these will, in principle, be delivered in Luxembourg within five (5) days of receipt of payment of the purchase price. The cost of dispatching such Unit certificates will be charged to the Unitholders. Certificates are sent to Unitholders at their own risk.

Moreover, where new investments would adversely affect the achievement of the investment objective, the Management Company may decide to suspend the issue of Units on a permanent or temporary basis.

The Management Company may at any time and at its own discretion proceed to redeem Units held by Unitholders who are not entitled to acquire or possess these Units.

XVIII. REDEMPTION OF UNITS

The following redemption rules and procedures shall apply, unless provided otherwise for any particular Sub-Fund, in the Appendix of the relevant Sub-Fund.

1. Redemption Procedure

The Management Company shall in principle redeem Units on any Dealing Day (based on the calculation method described in Section XX. "Determination of the Net Asset Value of Units", at the Net Asset Value

per Unit of the relevant Sub-Fund applicable on the relevant Valuation Day, less any applicable redemption charge, as stated in the relevant Appendix. Redemption applications must be received by the Management Company by 4 p.m. (CET) on a Dealing Day in order to be dealt with on the Valuation Day. Redemption applications received after 4 p.m. on a Dealing Day shall be dealt with on the following Valuation Day. Redemption applications must be accompanied by any Unit certificates (if issued).

If the execution of a redemption application would result in the relevant investor's holding in a particular Unit Class falling below the minimum holding requirement for that Class as set out in the relevant Appendix, the Management Company may, without further notice to the Unitholder, treat such redemption application as though it was an application for the redemption of all Units of that Class held by the Unitholder.

The Board reserves the right in its absolute discretion to effect part or all of any redemption payments in kind or in specie. In such event, redeeming Unitholders will receive assets with a value (calculated on the same basis as the Net Asset Value of the Fund), when aggregated with any cash portion of the redemption payment, equal to the redemption payment to which they are otherwise entitled.

The redeeming Unitholders will bear the costs associated with such redemption in kind or in specie (including the costs for the establishment of a valuation report by the Auditor, as required by Luxembourg law), unless the Board of Directors considers the redemption in kind or in specie to be in the interest of the Unitholders.

2. Payment of Redemption Proceeds

Payment of the redemption price of the Units shall be made within three Banking Days following the Valuation Day. This does not apply where specific statutory provisions such as foreign exchange or other transfer restrictions or other circumstances beyond the Depository Bank's control make it impossible to transfer the redemption amount.

In the case of large redemption applications, the Management Company may decide to defer payment until it has sold the corresponding assets of the Sub-Fund without undue delay. Where such a measure is necessary, all redemption applications received on the same day shall be settled at the same price.

Payment shall be made by means of remittance to a bank account upon payment of the redemption price, the corresponding Unit shall cease to be valid.

3. Conversion of Units

The following redemption rules and procedures shall apply, unless provided otherwise, for any particular Sub-Fund, in the Appendix of the relevant Sub-Fund.

4. Conversion Procedure

Holders of a particular Class of Units of a Sub-Fund may at any time convert some or all of their Units into Units of the same Class of another Sub-Fund or into another Class of the same or another Sub-Fund, provided this satisfies the requirements for the Unit Class into which such Units are converted. Conversion applications must be completed and submitted to the Management Company by 4 p.m. (CET) on a Dealing Day. Conversion applications received after 4 p.m. (CET) shall be dealt with on the next following Valuation Day.

Conversion shall take place on the basis of the applicable Net Asset Value per Unit calculated on the Valuation Day immediately following the Dealing Day on which the application is received. Conversion applications must be accompanied by any Unit certificates (if issued).

Where processing an application for the conversion of Units would result in the relevant investor's holding in a particular Unit Class falling below the minimum holding requirement for that Class, the Management Company may, without further notice to the investor, treat such conversion application as though it were an application for the conversion of all Units held by the investor in that Unit Class.

5. Conversion Price

The price at which Units shall be converted will be determined by reference to the respective Net Asset Value of the Units of the relevant Sub-Fund calculated on the relevant Valuation Day, taking into account (if Units are being converted into a different Reference Currency) the actual rate of exchange on the day concerned.

The rate at which all or part of the Units in a Sub-Fund (the "Original Sub-Fund") are converted into Units in another Sub-Fund (the "New Sub-Fund") is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

- A is the number of Units to be allocated in the New Sub-Fund;
- B is the number of Units of the Original Sub-Fund which is to be converted;
- C is the Net Asset Value per Unit of the Original Sub-Fund at the relevant Valuation Day;
- D is the Net Asset Value per Unit of the New Sub-Fund at the relevant Valuation Day; and
- E is the actual rate of exchange on the day concerned applied to conversions between Sub-Funds denominated in different Reference Currencies, and is equal to 1 in relation to conversions between Sub-Funds denominated in the same Reference Currency.

XIX. PROCEDURES FOR SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS REPRESENTING 10% OR MORE OF ANY SUB-FUND

If the Management Company determines that it would be detrimental to the existing unitholders of the Fund to accept a subscription for Units of any Sub-fund that represents more than 10% of the net assets of such Sub-fund, then the Management Company may postpone the acceptance of such subscription and, in consultation with the incoming unitholder, may require him to stagger his proposed subscription over an agreed period of time.

If any application for redemption or conversion is received in respect of any one Valuation Day, which either singly or when aggregated with other such applications so received, represents more than 10% of the net assets of any one Sub-fund, the Management Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Management Company that to do so is in the best interests of the remaining unitholders), to scale down pro rata each application with respect to such Valuation Day so that not more than 10% of the net assets of the relevant Sub-fund be redeemed or converted on such Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Management Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the unitholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application for redemption or conversion received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

XX. DETERMINATION OF THE NET ASSET VALUE OF UNITS

The rules below shall apply to the calculation of the Net Asset Value per share in each Sub-Fund, unless specified otherwise in the Appendix of the relevant Sub-Fund.

The Net Asset Value of the Units in any Sub-Fund shall be calculated in the reference currency of that Sub-Fund and shall be determined by the Management Company in Luxembourg on each Valuation Day

as indicated in the relevant Section of the Sub-Fund's Information. Furthermore, for reporting purposes, all Sub-Funds will publish an additional Net Asset Value monthly, on the last Banking Day of each month. Subscriptions, redemptions and conversions are not allowed at the monthly Net Asset Value except if the last Banking Day of a month coincides with a Valuation Day as indicated in the relevant Section of the Sub-Fund's Information.

For the purpose of determining the Net Asset Value, the assets and liabilities of the Fund shall be allocated to the individual Unit Classes, and the calculation is carried out by dividing the Net Asset Value of the Fund by the total number of Units outstanding for the relevant Fund.

The assets of the Fund shall be valued as follows:

- (a) 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 Fund may consider appropriate in such case to reflect the true value thereof;
- (b) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the previous day closing prices and, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities and/or financial derivative instruments, and each security and/or financial derivative instrument traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities and/or financial derivative instruments;
- (c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;
- (d) shares or units in open-ended investment funds shall be valued at their last available calculated net asset value, reduced by any applicable charges;
- (e) listed money market instruments are valued at market value plus any accrued interest;
- (f) financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market shall be subject to reliable and verifiable valuation on a daily basis in accordance with market practice and verified by a competent professional appointed by the Board of Directors.

The Fund is authorized to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the previous day closing rate of exchange.

The Net Asset Value of the Unit shall be rounded up or down to four decimal places, as the case may be, to the next smallest unit of the reference currency which is currently used. The total Net Asset Value of the Fund shall be calculated in Euro.

XXI. ALLOCATION OF ASSETS AND LIABILITIES

The records and accounts of each Sub-Fund shall be maintained separately in the reference currency of the relevant Sub-Fund.

The assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be segregated in the records of the Depository Bank from the assets of other Sub-Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for any such purpose.

The proceeds from the issue of each Class of Shares shall be applied to the relevant Sub-Fund established for that Class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Management Regulations.

Where any asset is derived from another asset, the derived asset shall be applied to the same Sub-Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund.

In the case where an asset or a liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, the Management Company shall have the discretion, subject to the approval of the Auditor, to determine the basis upon which such asset or liability shall be allocated between the Sub-Funds. The approval of the Auditor shall not be required in any case where the asset or liability is allocated between all Sub-Funds pro rata to their Net Asset Value.

XXII. SUSPENSION OF THE NET ASSET VALUE CALCULATION OF UNITS

In each Sub-Fund, the Management Company may temporarily suspend the determination of the Net Asset Value of Units and in consequence the issue, redemption and conversion of Units in that Sub-Fund in any of the following events:

- when one or more stock exchanges, which provide the basis for valuing a substantial portion of the assets of that Sub-Fund, or when one or more stock exchanges in the currency in which a substantial portion of the assets of that Sub-Fund is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of that Sub-Fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Unitholders;
- in the case of a breakdown in the normal means of communication used for the valuation of any investment of that such Sub-Fund or if, for any exceptional circumstances, the value of any asset of that Sub-Fund may not be determined as rapidly and accurately as required; or
- if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the assets of that Sub-Fund cannot be effected at normal rates of exchange.

The Management Company shall notify, without delay, the suspension to Unitholders who have applied for subscription, redemption or conversion of Units for which the calculation of Net Asset Value has been suspended.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the Net Asset Value per Unit, the issue, redemption and conversion of Units of any other Sub-Fund in respect of which the events described above have not occurred.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value.

XXIII. FEES AND EXPENSES

Unless specified otherwise in the Appendix of the relevant Sub-Fund and in addition to the "*taxe d'abonnement*" (set out in Section XXIX hereof), the Fund shall bear the costs specified below:

- a) All taxes which may be payable on the assets, income and expenses chargeable to the Fund;

- b) Standard brokerage and bank charges incurred by the Fund through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);
- c) A quarterly management company fee for the Management Company, payable at the end of each quarter, based on the average Net Asset Value of the relevant Unit Class during that quarter. The management company fee may be charged at different rates for individual Sub-Funds and Unit Classes within a Sub-Fund or may be waived in full. The use of risk models in the context of the calculation of global exposure will be bear by the relevant Sub-Funds. Further details of the management company fee may be found in the Appendix of the relevant Sub-Fund; A quarterly investment management fee for the relevant Investment Manager, shall be payable out of Sub-Funds assets at the end of the relevant quarter and will be based on the average of the Net Asset Value of the relevant Unit Class during that quarter; A quarterly Investment Advisory fee for the Investment Advisor, if any, shall be payable at the end of the relevant quarter as further specified in the Appendix of the relevant Sub-Fund;
- d) A maximum fee of 0.045 % p.a. will be calculated and paid monthly on the monthly average of the Sub-Fund's Net Asset Value to the Depositary Bank, Administrative Agent and the Registrar and Transfer Agent, determined by joint agreement with the Management Company and in accordance with practices in force on the Luxembourg market.
- e) Compliance monitoring services provided by the Depositary Bank.
- f) All other charges incurred for sales activities and other services rendered to the Fund but not mentioned in the present Section; for certain Unit Classes these fees may be borne in full or in part by the Management Company;
- g) Expenses, including those for legal advice and auditors, which may be incurred by the Management Company or the Depositary Bank through measures taken on behalf of the Unitholders;
- h) The cost of printing the Unit certificates, the cost of preparing, depositing and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Fund or with offering the Units, and the cost of preparing / amending the Prospectus and / or the investment management agreements could be charges by the Management Company to the Fund; the cost of printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities; the cost of book-keeping and calculating the daily Net Asset Value, the cost of notifications to Unitholders including the publication of prices for the Unitholders, the fees and costs of the Fund's auditors and legal advisors, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Units, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Fund Units, all the costs related to securities lending transactions (agency fees and transactions costs). The cost of advertising may also be charged. The cost that arise from obtaining indices from certain indices providers will be charged to the relating the sub-funds on a pro-quota basis.

Financial Intermediaries' Fees

General

Financial Intermediaries, such as third party distributors, may receive a portion of the ongoing fees payable to the Management Company by the Fund (and/or of the ongoing fees payable to the Investment Manager) or from the Management Company's and/or Investment Manager's own resources for distribution, shareholder or marketing support services. Any such amounts

paid do not increase the amount paid by Unitholders or the Fund. These payments are generally based upon average net assets invested in the Fund attributable to that Financial Intermediary. The financial arrangements may vary for each Financial Intermediary. MiFID II introduces restrictions on the receipt and retention of fees, commissions, monetary and nonmonetary benefits (“inducements”) where firms, regulated under MiFID II, provide clients with portfolio management services or independent investment advice. It also introduces obligations where firms provide clients with other services (such as execution services or restricted investment advice). In such cases, where a firm receives and retains an inducement, it must ensure that the receipt and retention of the inducement is designed to enhance the quality of the relevant service to the client and is properly disclosed. Where authorised intermediaries or distributors are subject to MiFID II and receive and/or retain any inducements, they must ensure that they comply with all applicable legislation, including, those introduced by MiFID II.

Cash rebates and soft commissions

The Management Company and/or the Investment Managers may be entitled to receive soft commissions in the form of supplemental goods and services such as consultancy and research, information-technology material associated with specialist software, performance methods and instruments for setting prices, subscriptions to financial information or pricing providers.

Brokers who provide supplemental goods and services to the Management Company and/or the Investment Managers may receive orders for transactions by the Fund.

The following goods and services are expressly excluded from the soft commissions: travel, accommodation costs, entertainment, current goods and services connected with the management, the offices, the office equipment, staff costs, clerical salaries and all financial charges.

Soft commission services so received by the Management Company and/or the Investment Managers will be in addition to and not *in lieu of* the services required to be performed by the Management Company and/or the Investment Managers and the fees of the Management Company and/or the Investment Managers will not be reduced as a result of the receipt of such soft commissions.

The Management Company and/or the Investment Managers, in using a broker who provides soft commission services, will do so only on the basis that the broker is not a physical person and will execute the relevant transactions on a best execution basis and that there will be no comparative price disadvantage in using that broker. The Management Company and/or the Investment Managers or anyone connected to them shall not personally benefit from any financial return on the commissions collected by brokers or dealers. The Management Company and/or the Investment Managers will provide the Company with the details of the soft commissions effectively received on an annual basis.

Distribution fees

The Management Company will pay, out of its fees, the distributors, if any, which may reallocate a portion of their fees to sub-distributors, dealers, other intermediaries or entities, with whom they have a distribution agreement.

The distributors of the Fund, if any, may also, on a negotiated basis, enter into private arrangements (so called “co-operation agreements” with the Management Company being a party to such agreements) with a sub-distributor, dealer, other intermediary or entity under which the distributors are authorized to make payments to or for the benefit of such distributor, dealer, other intermediary, entity which represent a retrocession of or a rebate on all or part of the fees paid to them by the Management Company.

For the moment being the Management Company has not appointed any distributor.

XXIV. AUDITORS

The auditor of the Fund is PricewaterhouseCoopers Société coopérative. The auditor of the Fund is appointed by the Management Company and shall, with respect to the assets comprising the Fund, carry out the duties provided by the Law of 2010.

XXV. DURATION, LIQUIDATION OF THE FUND OR OF ANY SUB-FUND

The Fund and each of the Sub-Funds have, unless specified, in relation to a particular Sub-Fund, in the relevant Appendix for that Sub-Fund, been established for an unlimited period of time. However, the Fund or any Sub-Fund may be terminated at any time by mutual agreement between the Management Company and the Depositary Bank, subject to at least 30 (thirty) day's prior notice to the Unitholders on the register of Unitholders as at the record date for giving the notice, being a date determined by the Management Company and being no earlier than 30 (thirty) days before the date of putting the notice in the post. The Management Company may, in particular, decide upon such dissolution where the value of the net assets of the Fund or of any Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Fund or the Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation.

The liquidation of the Fund or of a Sub-Fund cannot be requested by a Unitholder.

The event leading to liquidation of the Fund must be announced by a notice published in the RESA and in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

The Management Company or, as the case may be, the liquidator it has appointed, will realise the assets comprising the Fund or of the relevant Sub-Fund(s) in the best interest of Unitholders thereof, and upon instructions given by the Management Company, the Depositary Bank will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Unitholders of the relevant Sub-Fund(s) in proportion to the number of Units held by them. The Management Company may distribute the assets comprising the Fund or of the relevant Sub-Fund wholly or partly in kind to any Unitholder who agrees in compliance with the conditions set forth by the Management Company (including, without limitation, delivery of independent valuation report issued by the auditors of the Fund) and the principle of equal treatment of Unitholders.

The proceeds thereof corresponding to Units not surrendered at the time of the liquidation will be kept in safe custody with the Luxembourg *Caisse de Consignation*. As far as the liquidation of any Sub-Fund is concerned, the proceeds thereof corresponding to Units not surrendered for repayment at the time of the closure of the liquidation will be kept in safe custody with the *Caisse des Consignations*.

Upon the occurrence of the event leading to liquidation, the Management Company may decide that Units may continue to be redeemed, provided that Unitholders are treated equally.

XXVI. MERGER

Merger from one Sub-Fund into another

The Management Company may, with the Depositary Bank's agreement, decide to operate the merger from one Sub-Fund into another. Such merger may arise in case the net assets has decreased to an amount determined by the Management Company to be the minimum level for the Fund or the Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation. The Management Company is competent to decide on the effective date of the merger. A notification shall be sent to the Unitholders which shall include among others,

(1) the conditions of the merger and, (2) indicate the date of implementation of the merger, which date shall not be sooner than one (1) month after the date of publication or the notification, whichever is the latest. During that one (1) month period, the Unitholders who do not agree with the merger will have the opportunity to demand redemption of part or all of their Units at the applicable Net Asset Value free of any commissions and charges.

Cross border or domestic merger from the Fund or a Sub-Fund into another structure

In the case where the value of the net assets of the Fund or a Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Fund or Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation, the Board of Directors of the Management Company may, with the approval of the Depository Bank and subject to the CSSF approval, resolve to merge the Fund or Sub-Fund into another structure established or not in Luxembourg, as set forth in the Law of 2010.

The Management Company shall provide to the Unitholders appropriate and accurate information on the proposed merger so as to enable them to make an informed judgment of the impact of the merger on their investment. Such notice shall be delivered in writing to the registered Unitholders of the Fund or Sub-Fund.

This information shall be provided at least thirty (30) days before the last date for requesting repurchase or redemption or as the case may be conversion into units in another UCITS with similar investment policy and managed 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. This right shall cease to exist five (5) working days before the date for calculating the exchange ratio.

The implementation of the merger conditions must be approved by an auditor.

XXVII. APPLICABLE LAW AND JURISDICTION

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg. Any claim arising between the Unitholders, the Management Company and the Depository shall be settled according to the laws of the Grand Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Depository Bank may subject themselves and the Fund to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by Unitholders resident in such countries and, with respect to matters relating to subscriptions, redemptions and exchanges by Unitholders resident in such countries, to the laws of such countries.

The claims of Unitholders against the Management Company or the Depository Bank will lapse 5 (five) years after the date of the event which gave rise to such claims.

Unless expressly stated otherwise, or unless such rights are conferred by applicable law, a Person other than the Management Company or the Depository Bank that is not a Unitholder shall have no right to enforce any provisions of the Management Regulations.

The Management Company may, in relation to the Fund, enter into agreements with third parties subject to law other than Luxembourg law.

XXVIII. GOVERNING LANGUAGE

English shall be the governing language of the Management Regulations and the Prospectus.

XXIX. TAX STATUS

The following does not purport to deal with all of the tax consequences applicable to the Fund (or any Sub-Fund) or to all categories of investors, some of whom may be subject to special rules. The following

summary is based on the laws and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes thereto. This does not constitute in any way a warranty given to Unitholders, who are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of their country of incorporation, establishment, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Management Company regarding the law and practice in force at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at any time an investment is made in the Fund will endure indefinitely.

As legislation now stands, the Fund is subject to a Luxembourg tax at an annual rate of 0.05% payable at the end of each quarter and calculated on the amount of the net assets of each Sub-Fund at the end of each quarter-year. The rate of the annual subscription tax is set at 0.01% for the Sub-Funds or Classes of Units, if the Units in these Sub-Funds or Classes are reserved for one or more Institutional Investors, as well as for those Sub-Funds whose sole purpose is collective investment in money market instruments and/or deposits with credit institutions.

Automatic Exchange of Information

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Management Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Management Company shall communicate any information to the Investor according to which (i) the Management Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country

basis.

The Management Company reserves the right to refuse any application for Units if the information provided or not provided does not satisfy the requirements under the CRS Law.

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

FATCA requirements

Context

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA ("**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Management Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Management Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

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

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and

- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund has currently opted for the Reporting Model 1 FI status. The possibility that the Fund will change or relinquish this status in future cannot be ruled out, however. Investors or potential investors who have questions about the Fund's current FATCA status are advised to contact their distributor.

The Fund shall communicate any information to the Investor according to which (i) the Management Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for Units if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

XXX. ACCOUNTING YEAR

The accounts of the Fund are closed each year on December 31. The first accounting year ended on 31 December 2008.

The consolidated accounts of the Fund shall be kept at the registered office of the Management Company. The consolidated accounts shall be expressed in Euro, being the currency of the Fund. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

The accounts of the Management Company and of the Fund will be audited annually by the Fund's auditor.

XXXI. UNITHOLDERS' INFORMATION

Audited annual reports and unaudited semi-annual reports will be made available to the Unitholders at no cost to them at the offices of the Management Company. Audited reports are made available within 4 (four) months of their publications and unaudited semi-annual reports are made available within 2 (two) months of their publication. The first report was the unaudited report as of 30 June 2008. Any other financial information to be published concerning the Fund or the Management Company, including the Net Asset Value, the issue, conversion and redemption price of the Units for each Sub-Fund and any suspension of such valuation, will be made available to the public at the registered office of the Management Company.

XXXII. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at the registered office of the Management Company:

- 1) The Prospectus, the Simplified Prospectuses and the Key Investor Information Document (when issued);
- 2) The Management Regulations;
- 3) The Depositary Agreements;
- 4) The Investment Management Agreements;
- 5) The Articles of Incorporation of the Management Company;
- 6) The Benchmark contingency plan; and

7) The latest annual and semi-annual reports of the Fund.

Copies of the documents under (1), (2), (5) (6) and (7) above may be obtained free of charge at the same address.

XXXIII. JURISDICTION, APPLICABLE LAW AND ENFORCEMENT

Investment in the Fund will not automatically grant Investors any rights against third parties engaged by the Fund to provide services to the Fund.

The relationships between the Unitholders and the Fund are governed by Luxembourg law and the Luxembourg City courts shall have jurisdiction to settle any dispute arising in connection therewith.

The claims of Unitholders against the Management Company or the Depositary will lapse 5 (five) years after the date of the event which gave rise to such claims.

Unless expressly stated otherwise, or unless such rights are conferred by applicable law, a Person other than the Management Company or the Depositary that is not a Unitholder shall have no right to enforce any provisions of the Management Regulations.

The courts of Luxembourg will recognize as valid, and will enforce, any final, conclusive and enforceable civil judgment obtained in a court of an EU Member State in respect of any contracts relating to the Fund where the parties to such contract have submitted to the jurisdiction of the courts of such EU Member State in accordance with applicable enforcement proceedings as provided for in Council Regulation (EC) No 44/2001 of December 22, 2000 on jurisdiction and the enforcement of judgments in civil and commercial matters ("**Brussels Regulation**"). The Court of Appeal of Luxembourg may reject the enforceability of a foreign judgment given on the basis of the Brussels Regulation by the district courts of Luxembourg, but only on grounds specified in articles 34 and 35 of the said Regulation.

In addition, Luxembourg is party to the Convention of 27 September 1968 on the jurisdiction and enforcement of judgments in civil and commercial matters ("**Brussels Convention**"). Therefore, judgments obtained from the courts of territories excluded from the Brussels Regulation pursuant to article 355 of the Treaty on the Functioning of the European Union, would be recognized and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Brussels Convention.

Luxembourg is also party to the Convention of 16 September 1988 on jurisdiction and the enforcement of judgments in civil and commercial matters ("**Lugano Convention**"). Judgments obtained in the courts of Iceland, Norway or Switzerland would therefore be recognised and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Lugano Convention.

In the absence of any regulation or convention the courts of Luxembourg will recognize as valid, and will enforce, any final, conclusive and enforceable civil judgment obtained against the Fund in the courts of another jurisdiction, subject to and in accordance with applicable exequatur provisions and general Luxembourg rules applicable to the recognition and enforcement of foreign court decisions. Luxembourg courts may reject the enforceability of such a judgment if one or several of the following requirements are not met:

- the foreign court order must be enforceable in the country of origin,
- the court of origin must have had jurisdiction both according to its own laws and to the Luxembourg conflict of jurisdictions rules,
- the foreign procedure must have been regular in light of the laws of the country of origin,
- the foreign decision may not violate the rights of defence,
- the foreign court must have applied the law which is designated by the Luxembourg conflict of laws rules, or, at least, the order must not contravene the principles underlying these rules,

- the considerations of the foreign order as well as the judgment as such may not contravene Luxembourg international public order,

the foreign order may not have been rendered subsequent to an evasion of Luxembourg law ("*fraude à la loi*").

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg.

Any claim arising between the Unitholders, the Management Company and the Depositary shall be settled according to the laws of the Grand Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by Unitholders resident in such countries and, with respect to matters relating to subscriptions, redemptions and exchanges by Unitholders resident in such countries, to the laws of such countries.

SUB-FUNDS INFORMATION

FONDACO LUX GLOBAL EQUITIES

1.1. INVESTMENT POLICY, OBJECTIVE AND BENCHMARK:

Objective: The investment objective of the Sub-Fund is to provide a vehicle through which investors may place their capital in a variety of world equity markets to achieve long term capital growth whilst retaining the ability - through conversions - to switch their capital to particular regions and countries, as well as be invested in a global fund.

Investment Policy: The Investment Manager will actively manage the portfolio of the Sub-Fund which shall be invested in developed countries equities. The Sub-Fund will be managed actively, independently from the Benchmark (as defined below) exposures, pursuing a "global Franchise" strategy. The Management Company will limit the portfolio to typically 20 to 40 securities and will not seek to minimise volatility relative to the Benchmark. Investments will be made primarily through shares or equivalent instruments traded in regulated world stock exchanges and will select among companies that typically possess the following characteristics:

- Resilient franchises/intangible assets;
- Domestic/international growth potential;
- Low capital intensity;
- High free-cash generation: repeat business;
- Financial strength: comfortable coverage of fixed charges;
- Capable management.

The Investment Manager may enter into derivative transactions only for hedging purpose. For avoidance of doubt, currency hedging strategies shall be achieved by using forward exchange contracts and the Investment Manager could from time to time hedge specific currency exposures within its strategy. Any change to this policy must be agreed in writing by the Investment Manager and the Management Company.

Benchmark: The "Benchmark" is the Morgan Stanley Capital International (MSCI) Daily Total Return Net World Index in USD converted in Euro (Bloomberg code: NDDUWI Index). The reference to the Benchmark shall start on the third Business Day following the Launch Date.

The Benchmark is provided by MSCI Limited, which is registered pursuant to Article 34, in the register referred to in Article 36, of the Benchmark Regulation.

The Benchmark is used for performance comparison. The Sub-Fund will be managed actively, independently from the Benchmark and it is not designed to track its reference benchmark, therefore holdings in the portfolio may differ from the benchmark.

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its returns by integrating principles of environmental, social and governance "ESG" focused investing. At the time of drawing up the Prospectus, the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being moderate.

1.3. INVESTMENT MANAGER:

The Investment Manager for this Sub-Fund is Independent Franchise Partners LLP, Level 5, 20 Balderton Street – London W1K 6TL.

1.4. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-Fund.

The Sub-Fund is dynamic and may exhibit above-average potential growth and investment performance, depending on the economic environment. The opportunities for above-average growth may in some circumstances lead to very positive but also to very negative price fluctuations.

1.5. INVESTMENT RESTRICTIONS:

No restriction other than those set out in the Prospectus shall apply, but the Management Company may give to the Investment Manager from time to time additional instructions consistent with the restrictions set out in the Prospectus.

Global exposure calculation: The method used to calculate the General Exposure is the commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2.

1.6. USE OF SFT

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT is as follows:

Securities lending	60 %
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The current expected proportion of assets under management that will be subject to SFT is as follows:

Securities lending	40 %
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Generally, no more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The Sub-Fund does not make use of total return swaps.

1.7. INVESTOR'S PROFILE:

As the investments are focused on world equities – which can be subject to wide fluctuations in value – investors should have a long term investment horizon. Since the Sub-Fund invests in a variety of sectors and in a large number of companies operating in a specific country or economic region, investors avoid the risks entailed by direct individual investments.

1.8. CLASSES OF UNITS – CURRENCY:

Class I, Capitalisation and distribution units, denominated in Euro, are offered. Minimum initial subscription amount:

- Class I: Euro 10,000
1. Minimum subsequent subscription amount:
Class I: Euro 10,000
 2. Minimum holding amount:
Class I: Euro 10,000

Class A, Capitalisation and distribution units, denominated in Euro, are offered.

1. Minimum initial subscription amount:
Class A: Euro 10,000
2. Minimum subsequent subscription amount:
Class A: Euro 10,000
3. Minimum holding amount:
Class A: Euro 10,000

1.9. FEES:

Class I

1. Management Company fee:
Up to 0.10% of the Net Asset Value of the Sub-Fund payable to the Management Company.
Frequency of payment: quarterly.
2. Investment management fee:
Up to 1.20 % of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: quarterly.
3. Performance fee: nil.

Class A

1. Management Company fee:

Up to 1,60% of the Net Asset Value of the Sub-Fund payable to the Management Company.
Frequency of payment: quarterly.
2. Investment management fee:

Up to 1,40% of the Net Asset Value of the Sub-Fund payable to the Investment Manager.
Frequency of payment: quarterly.
3. Performance fee: nil.

1.10. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: daily.
Valuation Day: daily.
Net Asset Value Calculation Day: the first Full Banking Day following the Valuation Day.

1.11. REFERENCE CURRENCY:

The reference currency of the Sub-Fund is Euro.

FONDACO LUX EU CONVICTION EQUITIES

1.1. INVESTMENT POLICY, OBJECTIVE AND BENCHMARK:

Objective: The Investment Manager will actively manage the portfolio of the Sub-Fund which shall be invested in European equities. The overall goal of the Sub-Fund is to add value versus the Benchmark through a structured, research-driven process with controlled risk within the following guidelines.

Investment Policy: The portfolio of the Sub-Fund ("Portfolio") shall consist primarily of:

- listed equity securities that are traded on the stock exchanges of the Benchmark countries;
- investment in securities listed on stock exchanges of countries outside the Benchmark is permitted, and with the inclusion of emerging European countries, but no more than 20% of the portfolio value.

The Sub-Fund will limit the investment in other collective investment undertakings to those which comply with the Investment Policy of the Sub Fund and in any case no more than 10 per cent of the Sub-Fund's NAV.

The Investment Manager may also enter into derivative transactions such as but not limited to

- exchange traded futures and options;
- currency OTC spot options or forwards contracts only if required for currency hedging purposes.

Benchmark: The "Benchmark" is the MSCI Daily TR Net Europe USD (code Bloomberg NDDUE15) converted in Euro.

The benchmark is provided by MSCI Limited, which is registered pursuant to Article 34, in the register referred to in Article 36, of the Benchmark Regulation.

The Benchmark is used for performance comparison purpose.

The Sub-Fund will be managed actively, independently from the Benchmark and it is not designed to track its reference Benchmark therefore holdings in the portfolio may differ from the benchmark.

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its return in a by integrating principles of environmental, social and governance "ESG" focused investing. At the time of drawing up the Prospectus, the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being low.

1.3. INVESTMENT MANAGER:

The Investment Manager for this Sub-Fund is Aubrey Capital Management Ltd, 22 Stafford Street, Edinburgh EH3 7BD, United Kingdom.

1.4. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-Fund.

- The Sub-Fund is dynamic and may exhibit above-average potential growth and investment performance, depending on the economic environment. The opportunities for above-average growth may in some circumstances lead to very positive but also to very negative price fluctuations.
- Emerging Markets, less developed Markets: These markets may be volatile and illiquid and investments in these markets may be considered speculative and subject to significant delays in settlement. The risk of significant fluctuations in the net asset value in this Sub-Fund may be higher than for Sub-Funds investing in major world markets. In addition, there may be higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets. The assets of Sub-Funds investing in less developed

or emerging markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

1.5. INVESTMENT RESTRICTIONS:

- At no time shall the total contract value of derivative instruments invested in or entered into by the Sub-Fund, excluding currency hedging strategies, exceed 40% of the Net Asset Value of the Sub-Fund.

Derivative instruments should only be used (1) for the purpose of protecting the Sub-Fund from the risk of loss arising out of market prices movements, or (2) only in accordance with investment strategies previously agreed in writing with the Management Company.

- The Portfolio will have no country and sector exposure restriction relative to the Benchmark.
- The Portfolio will have no single stock weight larger than 5% of the Net Asset Value of the Sub-Fund.

Global exposure calculation: The method used to calculate the General Exposure is the commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2.

1.6. USE OF SFT

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT is as follows:

Securities lending	60 %
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The current expected proportion of assets under management that will be subject to SFT is as follows:

Securities lending	40 %
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Generally, no more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The Sub-Fund does not make use of total return swaps.

1.7. INVESTOR'S PROFILE:

As the investments are focused on Europe equities – which can be subject to wide fluctuations in value – investors should have a medium to long term investment horizon. Since the Sub-Fund invests in a variety of sectors and in a large number of companies operating in different countries or economic region, investors avoid the risks entailed by direct individual investments.

1.8. CLASSES OF UNITS – CURRENCY:

Class I, Capitalisation and distribution units, denominated in Euro, are offered.

Minimum initial subscription amount:

Class I: Euro 10,000

2. Minimum subsequent subscription amount:

Class I: Euro 10,000

3. Minimum holding amount:

Class I: Euro 10,000

Class A, Capitalisation and distribution units, denominated in Euro, are offered.

1. Minimum initial subscription amount:

Class A: Euro 10,000

2. Minimum subsequent subscription amount:

Class A: Euro 10,000

3. Minimum holding amount:

Class A: Euro 10,000

Class I1, Capitalisation and distribution units, denominated in Euro, are offered. Subscription monies are normally payable in the currency of denomination of the relevant Class of the relevant Sub-Fund. If, however, a Unitholder requests to pay in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Management Company (at its discretion) on behalf of and for the account risk and expense of the Unitholder.

1. Minimum initial subscription amount:

Class I1: Euro 100,000

2. Minimum subsequent subscription amount:

Class I1: Euro 100,000

3. Minimum holding amount:

Class I1: Euro 100,000

1.9. FEES:

Class I

1. Management Company fee:

Up to 0.045% of the Net Asset Value of the Sub-Fund payable to the Management Company.

Frequency of payment: quarterly.

2. Investment management fee:

Up to 1.00% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: quarterly.

3. Performance fee: nil.

Class A

1. Management Company fee:

Up to 1.40% of the Net Asset Value of the Sub-Fund payable to the Management Company.

Frequency of payment: quarterly.

2. Investment management fee:

Up to 1.10% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: quarterly.

3. Performance fee: nil.

Class I1

1. Management Company fee:

Up to 1.40% of the Net Asset Value of the Sub-Fund payable to the Management Company.

Minimum annual fee: 12.000 euro.

Frequency of payment: quarterly.

2. Investment management fee:

Up to 1.10% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: quarterly.

3. Performance fee: nil.

4. Trailer fees:

Up to 0.20% of the Net Asset Value of the Sub – Fund

Frequency of payment: quarterly.

5. Subscription/Redemption fees:

15 euro for each subscription and redemption

1.10. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: daily.

Valuation Day: daily.

Net Asset Value Calculation Day: the first Full Banking Day following the Valuation Day.

1.11. REFERENCE CURRENCY:

The reference currency of the Fund is Euro.

FONDACO LUX INTERNATIONAL BOND CORE

1.1. INVESTMENT POLICY, OBJECTIVE AND BENCHMARK:

Objective: The investment objective of the Sub fund is to outperform the Citigroup World Government Bond Index. It is expected that the tracking error will typically range between 1-5% per annum. The overall goal of the Sub-Fund is to add value versus the Benchmark through a structured, research-driven process with controlled risk within the following guidelines.

Investment Policy: The Investment Manager generally seeks to invest primarily in debt securities that, in its opinion, possess fundamental value, by actively managing the portfolio. The Investment Manager believes debt securities that possess fundamental value usually have high prospective real yields i.e. yields after allowing for the impact of estimated future inflation. Additionally, currencies that are either undervalued or of a reasonable value according to purchasing power parity analysis, typically possess fundamental investment value. The Investment Manager carries out financial analysis on countries and individual issues in order to assess the issuer's respective financial strengths and vulnerabilities. Investments that appear attractive according to the Investment Manager's criteria generally will constitute a high proportion of the Portfolio's investments.

Permitted Investments: the Portfolio shall comprise of debt obligations issued or guaranteed by:

1. world governments, their agencies and instrumentalities and government owned corporations,
2. state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies,
3. supranational entities and
4. entities guaranteed by any of 1, 2 and 3 above.

The Investment Manager may acquire Eurobonds, Global Bonds, Yankee Bonds, or securities of a similar type.

In addition, the Investment Manager may purchase, among other debt securities, zero coupon bonds, inflation indexed and inflation "protected" bonds, and floating rate notes and invest any available cash balances in bank deposits or suitable money market funds.

The Sub-Fund shall hold cash and cash equivalents for not more than 20%. Nevertheless, in exceptional market conditions and for a limited amount of time, such investments in cash can be done up to 100% of the Portfolio's net assets.

For the purpose of hedging or efficient portfolio management, the Portfolio may undertake transactions relating to financial futures, warrants and options contracts traded on a Regulated Market within the limits provided by the regulation under which the fund is approved. In relation with the currency risk the Investment Manager for the purpose of hedging or efficient portfolio management will enter in spot and forward currency contracts (including non-deliverable forward currency contracts).

The "**Benchmark**" is the Citigroup World Government Bond Index, denominated and 100% unhedged in US Dollar (ticker Bloomberg: SBWGU). The benchmark is provided by Citigroup, which is registered pursuant to Article 34, in the register referred to in Article 36, of the Benchmark Regulation.

The Benchmark is used to measure the performance of the Sub-Fund with the purpose of defining the asset allocation of the portfolio.

It may be managed discretionally within the tracking error limits set forth in the Objective and Investment Policy paragraphs. The Sub-Fund is however not designed to track its reference Benchmark and therefore holdings in the portfolio may differ from the Benchmark.

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its return by integrating principles of environmental, social and governance “ESG” focused investing. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities established by the Regulation 2020/852. At the time of drawing up the Prospectus, the Sub-Fund falls within the scope of article 6 of the SFDR, and the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being low.

1.3. INVESTMENT MANAGER:

The Investment Manager is COLCHESTER GLOBAL INVESTORS LIMITED with registered office at Heathcoat House, 20 Savile Row, London W1S 3PR, United Kingdom.

1.3. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-Fund:

The Sub-Fund is dynamic and may exhibit above- and below- average potential growth and investment performance over the short-term depending on the economic environment. In some circumstances the strategy may lead to very positive but also to very negative price fluctuations for the Sub-Fund.

1.4. INVESTMENT RESTRICTIONS:

Investments undertaken by the Manager shall be within the following restrictions:

- The average credit rating on the Portfolio must not ordinarily fall below “A-” as determined by Standard and Poor’s Credit Market Services, a division of McGraw-Hill Companies, Inc. (“S&P”) or “A3” as determined by Moody’s Investors Services, Inc. (“Moody’s”) or their equivalent. No individual bond may be purchased that is of lower quality than investment grade, i.e. with a minimum rating of “BBB-” (S&P) or “Baa3” (Moody’s) or equivalent, or if unrated, an equivalent rating determined by the Investment Manager in its sole discretion. The higher rating of split-rated securities shall apply.
- The Investment Manager will invest a minimum of 50% of assets (of market value) in established “Classic OECD” fixed income markets. The Classic OECD market set includes those countries that were members of the organization for Economic Co-operation and Development (“OECD”) before 1974 with the exception of Turkey. The 23 countries included in this set were Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States.
- The Investment Manager may invest up to 50% of assets (of market value) in the local markets of any other country not in the Classic OECD market set defined in (6) above, with local market long term sovereign credit ratings of BBB- (S&P) or Baa3 (Moody’s) or higher. Within this set, the Investment Manager may invest up to 10% of assets (of market value) in the local markets of countries with a local market long term sovereign credit rating of between BBB- and BBB+ (S&P) or between Baa3 and Baa1 (Moody’s) or equivalent. If split-rated the higher rating shall apply.
- In the event that investments acquired in accordance with the minimum credit requirements described above are downgraded to below the minimum acceptable grade, the Investment

Manager has the discretion to hold the security for a maximum of an additional 180 days. If the security has not been upgraded by the end of that period, it must be sold as soon as practicable.

- Individual country exposure limits are at the discretion of the Investment Manager subject to the guidelines noted above. An investment's country exposure is based on the currency of denomination of the security rather than on the country of the issuer or of the funding entity of the issuer of that security.
- For satisfactory diversification purposes, the Portfolio must be invested in at least three (3) countries at all times.
- The Investment Manager will actively manage the Portfolio's currency risk through the use of spot and forward currency contracts (including non-deliverable forward currency contracts). No asset limitation is specifically placed on the use of forward currency contracts. The Portfolio may not, however, "short" any currency. To "short" a currency is defined as selling an amount of the currency forward in excess of the total value of underlying assets held in that currency. At no time shall the Investment Manager leverage the Portfolio. The total net position in bonds, currencies and unrealized forward foreign exchange contract profit and loss must always total 100%.
- The Portfolio may not purchase "debt-like" equity securities such as preferred stock or securities that are convertible into shares other than money market funds for the sole purpose of investing temporary surplus cash balances.
- The Portfolio is not permitted to invest in corporates, mortgage or other asset backed securities. A corporate bond is defined for these purposes as a bond issued by a borrower whose equity capital is at least 50% owned by an entity or entities not classified individually or collectively as a sovereign, government, quasi-or-semi-government body, province, state, region, local authority, county or city, supranational body, or anybody backed by the full faith and credit of any of the foregoing non-corporate entities.
- A maximum of 10% of the Portfolio may be invested in any individual security;
- The Sub fund will not utilize "cash leverage" (defined as borrowing cash to purchase additional securities above total net assets). Within the limits set by the Law of 2010 governing the Sub-Fund, borrowing is allowed up to 10% of the Sub-Fund assets only on a temporary basis and when the origin is external to the management of the fund (market effects, repurchases of capital, etc).
- The Investment Manager will not sell short any security, i.e. the minimum position in any individual security is limited to 0% of the Portfolio;

1.5. GLOBAL EXPOSURE CALCULATION:

The method used to calculate the General Exposure is the commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2.

1.6. USE OF SFT

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT is as follows:

Securities lending	60 %
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The current expected proportion of assets under management that will be subject to SFT is as follows:

Securities lending	40 %
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Generally, no more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The Sub-Fund does not make use of total return swaps.

1.7. INVESTOR'S PROFILE:

As the investments are managed with an active style, an investment in the Sub-Fund is appropriate for an investor seeking favourable absolute returns from a globally diversified portfolio of debt and debt-like instruments over a medium to long term investment horizon and with a moderate level of volatility.

1.8. CLASSES OF UNITS – CURRENCY:

Class I, Capitalisation and distribution units, denominated in US Dollar and Euro (hedged against the Reference Currency) are offered (*i.e.*, *sub-class*: **Class I-USD, Class I-EUR**). Minimum initial subscription amount:

Class I-USD: USD 10,000 Class I-EUR: Euro10,000

1. Minimum subsequent subscription amount:

Class I-USD: USD 10,000

Class I-EUR: Euro 10,000

2. Minimum holding amount:

Class I-USD: USD 10,000

Class I-EUR: Euro, 10,000

Class A, Capitalisation and distribution units, denominated in US Dollar and Euro (hedged against the Reference Currency) are offered (*i.e.*, *sub-class*: **Class A-USD, Class A-EUR**). Minimum initial subscription amount:

Class A-USD: USD 10,000

Class A-EUR: Euro10,000

1. Minimum subsequent subscription amount:

Class A-USD: USD 10,000

Class A-EUR: Euro 10,000

2. Minimum holding amount:

Class A-USD: USD 10,000

Class A-EUR: Euro, 10,000

1.7. FEES:

Class I

1. Management Company fee:
Up to 0,085% of the Net Asset Value of the Sub-Fund payable to the Management Company.
Frequency of payment: quarterly.
2. Investment management fee:
Up to 0,365% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.
Frequency of payment: quarterly.
3. Performance fee: nil.

Class A

1. Management Company fee:

Up to 0,70% of the Net Asset Value of the Sub-Fund payable to the Management Company.

Frequency of payment: quarterly.
2. Investment management fee:

Up to 0,50% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: quarterly.
3. Performance fee: nil.

1.8. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: daily.

Valuation Day: daily.

Net Asset Value Calculation Day: the first Full Banking Day following the Valuation Day.

1.9. REFERENCE CURRENCY:

The reference currency of the Sub-Fund is US Dollar.

FONDACO LUX GLOBAL CORE ALLOCATION

1.1. INVESTMENT POLICY AND OBJECTIVE:

Objective: The Investment Objective of the Sub-fund is to add value versus the Benchmark by achieving an attractive risk-adjusted rate of return on the medium/long term (3-5 years' time horizon) over the Benchmark as defined below. There is no guarantee to achieve the expected return.

Investment Policy: The Investment Manager will actively manage the portfolio by investing mainly in units of other UCITS and/or other UCIs (eligible in accordance with article 41 e) and article 46 (2) of the Law of 2010), listed (e.g. ETF) or unlisted (provided that they are eligible in accordance with article 41 e) of the Law of 2010) which comply with the provisions of CSSF press release 18-02, with a range of traditional long only strategies that are focused among others on global bonds and other fixed income long only strategies as well as diversified global equities strategies. No restrictions in terms of geographic and sector area are applied as well as in terms of currencies.

The Sub-Fund may also invest part of the portfolio in alternative liquid strategies available in UCITS format such as equity long/short, macro strategies, systematic strategies, event driven.

A part from investment in other funds, the sub-fund may invest in single securities such as fixed income (typically government bonds) and single stocks (typically large caps, with no geographical or sector limitation) and derivative instruments such as forward, futures, options, etc.

To pursue this Investment Policy, the Investment Manager may allocate assets, in accordance with the investment guidelines, to a portfolio of investment funds managed by third-party investment management firms and investment funds issued or managed by Fondaco Group with a view to maintain a balance allocation between asset classes in consideration of the market conditions.

The selection of each underlying target fund is based on both qualitative and quantitative analysis. The Investment Policy aims to maintain a balanced and diversified portfolio of funds where each manager's strategy and skill-set is complementary to the other holdings in the portfolio.

Therefore, each manager is selected not only on its own merit, but also bearing in mind its fit and appropriateness within the overall portfolio.

The Sub-Fund may also invest directly its assets in both equity and fixed income instruments. In particular, regarding fixed income instruments, the sub-fund may invest, among others and depending on market opportunities, in high rated government bonds, for both liquidity management, duration management and capital appreciation.

Investments in emerging markets may also be possible both indirectly via dedicated or diversified funds or directly.

The Investment Manager may also enter into derivative transactions for hedging purposes as well as for efficient portfolio management in accordance with the restrictions set forth in the "Techniques and Instruments and SFT and TRS" chapter of the prospectus. Derivative instruments, which may be listed or traded over the counter may also include, but are not limited to:

- Futures and Forwards, including money market and government bond futures;
- Foreign Exchange spot and forward contracts;
- Options.

The Sub-Fund will not invest in Asset Backed Securities (“ABS”) or Mortgage Based Securities (“MBS”) or other structured products involving special purpose vehicles with the aim of grouping together on their books any series of claims on different debtors.

The Sub-Fund shall hold cash and cash equivalents for not more than 20%. Nevertheless, in exceptional market conditions and for a limited amount of time, such investments in cash can be done up to 100% of the Portfolio’s net assets.

Benchmark: The "Benchmark" is the 30% MSCI AC World Net Return Index in euro (M1WD) and 70% Bloomberg Barclays Global Aggregate Bond Index in euro (LEGATRUU).

The benchmarks are provided by MSCI Limited and Bloomberg Barclays respectively, which are both registered pursuant to Article 34, in the register referred to in Article 36, of the Benchmark Regulation.

The Sub-Fund will be managed actively, independently from the Benchmark.

The Sub-fund aims to outperform its benchmark rather than replicate it precisely and it is not designed to track its reference benchmark therefore holdings in the portfolio may differ from the benchmark. Moreover, the Sub-Fund has a performance objective linked to the performance of a benchmark.

The Benchmark is used for measuring the performance of the Sub-Fund for the purpose of computing the performance fees payable to the Investment Manager.

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its return in a manner consistent with the principles of environmental, social and governance “ESG” focused investing.

Notwithstanding the above, the Sub-fund adopts a responsible investment policy aimed at pursuing an adequate level of sustainability of the portfolio and reducing the possible impact on returns of any non-financial risks.

In particular, on the basis of the highest available level of detail of the composition by company of all the collective investment instruments invested, the investment process foresees to:

- measuring the average level of sustainability of the aggregate portfolio and the benchmark, as a weighted average of the valuation of the securities included;
- identifying the main contributors to the sustainability risk of the portfolio, in terms of individual companies invested and/or exposure to specific sectors, countries or strategies;
- monitor the dynamics of non-financial variables over time.

The investment process, therefore, integrates sustainability risks into the assessment of the portfolio overall risk profile, in order to monitor also non-financial risks, impose specific targets and identify any critical situations; these targets are subject to periodic review but may include:

- pursuing a higher level of sustainability of the portfolio than that of the reference benchmark;
- imposing exclusion criteria with respect to companies operating in non-virtuous sectors;
- intervening promptly in the event of disputes;
- restrict the investable universe to companies with a sustainability profile above a specific threshold.

Furthermore, as part of the process of selecting third-party funds, the sustainability profile of both the investment process adopted and the management company as a whole will be explicitly assessed, favouring investment solutions that are consistent with the Fund responsible investment policy.

These same factors are monitored periodically and may be grounds for reviewing investment choices.

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities established by the Regulation 2020/852. At the time of drawing up the Prospectus, the Sub-Fund falls within the scope of article 6 of the SFDR, and the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being moderate.

1.3. INVESTMENT MANAGER:

The Investment Manager is Fondaco S.G.R. S.p.A. with registered office in Corso Vittorio Emanuele II, 71, Turin, Italy.

1.4. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-fund:

The Sub-fund is dynamic and may exhibit above-average potential growth and investment performance, depending on the economic environment. The opportunities for above-average growth may in some circumstances lead to very positive but also to very negative price fluctuations for the Sub-funds.

1.5. INVESTMENT RESTRICTIONS:

Derivatives may be used for hedging purposes and for efficient portfolio management.

1.6. GLOBAL EXPOSURE CALCULATION

The method used to calculate the General Exposure is the commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2. The maximum level of leverage calculated according to the commitment approach is of 100%.

1.7. USE OF SFT

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT is as follows:

Securities lending	60 %
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The current expected proportion of assets under management that will be subject to SFT is as follows:

Securities lending	40 %
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Generally, no more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The Sub-Fund does not make use of total return swaps.

1.8. INVESTOR'S PROFILE:

Medium/long term (3-5 years) time horizon investor with moderate risk aversion and positive expected return on the entire period.

1.9. CLASSES OF UNITS:

Class I, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by investor up to 25 million euros included.

1. Minimum initial subscription amount:
Class I: Euro 10,000
2. Minimum subsequent subscription amount:
Class I: Euro 10,000

Class A, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by the Management Company, its parent company (jointly, "Fondaco Group"), their Affiliates and the employees of Fondaco Group.

1. Minimum initial subscription amount:
Class A: Euro 10,000
2. Minimum subsequent subscription amount:
Class A: Euro 10,000

Class Z, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by investor above 25 million.

1. Minimum initial subscription amount:
Class Z: Euro 50,000
2. Minimum subsequent subscription amount:
Class Z: Euro 10,000

1.10. FEES:

1. Management Company fee:

up to 0.10% of the Net Asset Value of the Sub-fund payable to the Management Company.

Frequency of payment: Quarterly.

2. Investment management fee:

up to 0.80% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: Quarterly.

3. Performance fee:

For classes I and Z the Investment Manager is entitled to receive a Performance Fee payable out of the assets of the Sub-Fund equal to 20% of the extra return (positive difference) net of all costs of the Net Asset Value (prior to computing the performance fee) of the Sub-Fund above the Benchmark subject to a Relative High-Water Mark as defined below.

The Relative High-Water Mark is the highest extra return (positive difference) of the Net Asset Value (prior to computing the performance fee) of the Sub-fund above the Benchmark since inception or at the last Paying Date (as defined below). The Net Asset Value at launch will be set as the first "Relative High-Water Mark".

The Excess Return is the extra return (positive difference) net of all costs of the Net Asset Value (prior to computing the performance fee) of the Sub-Fund above the Benchmark since inception minus the Relative High-Water Mark.

The Performance Calculation Period is the period running from the precedent Paying Date and the last day of each year except for the first Performance Calculation Period which shall run from the day of the launch of the Sub-Fund until the last day of the year following the launch.

The Paying Date is the last day of the year and is the day where, if the performance Fee is due, the Performance Fee is paid.

This model will allow for the payment of a performance fee only if the Sub-Fund reaches a new High-Water Mark on the year end and it will continue over the whole life of the Sub-Fund.

The performance fee is due if the Excess Return is positive.

At the launch of the Sub-Fund the Performance Fee Period will start on the first NAV calculation at par.

The Performance fee will be calculated as the product of:

- (i) the lower between the Net Asset Value of the Sub-Fund at the Paying Date and the average Net Asset Value of the Sub-Fund over the Performance Calculation Period, and
- (ii) the Excess Return, and
- (iii) 20%

The performance fee is calculated at each NAV calculation and, if due, crystalized and paid at year end.

Frequency of payment: annually.

Performance Fee example:

$$\text{Performance fees} = \sum_t^N (\text{extra return}_t * 20\%) * \min(\text{NAV}_t, \text{average NAV}_t)$$

T= reference period; N= end of reference period= Paying date

if excess return_t>0

$$\text{Excess Return}_t = \text{extra return}_t - \text{RHWM}_t$$

RHWM_t=highest extra return since inception till the paying date

$$\text{extra return} = \max(0, \Delta \text{NAV}_{\text{per shares } t} - \Delta B_t)$$

average NAV_t=average of total NAV since inception to the date t

$$\Delta \text{NAV}_{\text{per shares}} = \text{percentage change} = (\text{NAV}_t - \text{NAV}_{\text{reference date}}) / \text{NAV}_{\text{reference date}}$$

$$\Delta B_t = \text{percentage change of benchmark value} = (B_t - B_{\text{reference date}}) / B_{\text{reference date}}$$

T=reference period N=end of reference period=Paying date

Reference NAV and B= benchmark: beginning value at inception and in the subsequent years equal to the higher between the inception value and the value at paying date

Numerical Example:

YEAR, where N=1st year	Beginning period	Ending period=paying date	NAV per share beginning period	NAV per share ending Period	NAV per share reference	B value	B reference	RHWM at the paying date	ΔNAV	ΔB	Extra Return	Excess return	Payment of performance fees	Min between NAV at period and average NAV	Performance fee value
N	31/12/N-1	31/12/N	100	99,959	100	100	100	0,237%	-0,041%	-0,191%	0,15%	-0,087%	NO(negative excess of return)	9.995.946,12	0
N+1	31/12/N	31/12/N+1	99,959	100,08	100	100	100	0,237%	0,075%	-0,299%	0,374%	0,137%	YES	10.333.415,78	7.729,40
N+2	31/12/N+1	31/12/N+2	100,08	100,22	100,08	170	170	0,374%	0,145%	-0,345%	0,490%	0,116%	YES	11.227.994,67	11.000,99
N+3	31/12/N+2	31/12/N+3	100,22	100,11	100,22	200	200	0,490%	-0,110%	0,10%	-0,210%	-0,700%	NO(negative excess of return)	10.927.994,67	0,00
N+4	31/12/N+3	31/12/N+4	100,11	101	100,22	200	200	0,490%	0,889%	0,390%	0,499%	0,009%	YES	12.827.994,67	12.802,91

4. Maximum level of management fees

The maximum level of management fees that may be charged to the UCITS and/or UCI in which the Sub-Fund intends to invest is of 200 bps.

1.11. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: daily.

Valuation Day: each day and if such day is not a Full Banking Day, the following Full Banking Day.

Net Asset Value Calculation Day: the second Full Banking Day following the Valuation Day.

1.12. REFERENCE CURRENCY:

The reference currency of the Sub-fund is EURO.

1.13. HISTORICAL PERFORMANCE:

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund has been recently launched.

FONDACO LUX BILANCIATO

1.1. INVESTMENT POLICY AND OBJECTIVE:

Objective: The Investment Objective of the Sub-fund is to achieve an attractive risk-adjusted rate of return on the medium/long term (3-5 years' time horizon) with relatively low sensitivity to major market risk factors.

Investment Policy: The Investment Manager will actively manage the portfolio by investing mainly in units of other UCITS and/or other UCIs (eligible in accordance with article 41 e) and article 46 (2) of the Law of 2010), listed (e.g. ETF) or unlisted (provided that they are eligible in accordance with article 41 e) of the Law of 2010) which comply with the provisions of CSSF press release 18-02, managed by third-party investment management firms. Such investments will employ a large range of traditional long only strategies that are focused among others on global fixed income long only strategies (including government bonds and corporate credits) as well as large and medium cap global equities with a view to maintain a balance allocation between asset classes in consideration of the market conditions.

In relation to the investments in units of UCITS, other UCIs:

- such UCITS, other UCIs will have daily or weekly NAV frequency; and
- the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it intends to invest is of 150 bps.

The Sub-Fund may also invest part of the portfolio in alternative liquid strategies available in UCITS format such as equity long/short, macro strategies, systematic strategies, event driven.

The selection of each underlying target fund is based on both qualitative and quantitative analysis. The Investment Policy aims to maintain a balanced and diversified portfolio of funds where each manager's strategy and skill-set is complementary to the other holdings in the portfolio.

Therefore, each manager is selected not only on its own merit, but also bearing in mind its fit and appropriateness within the overall portfolio.

On an ancillary basis (for a maximum of 30% of the portfolio), and in order to keep a well-balanced portfolio among asset classes, the Sub-Fund may also invest directly its assets in both equity and fixed income instruments including only investment grade government bonds', with an average of high quality rating.

The Investment Manager may also enter into derivative transactions for hedging and investment purposes as well as for efficient portfolio management in accordance with the restrictions set forth in the "Techniques and Instruments and SFT and TRS" chapter of the prospectus. Derivative instruments may also include, but are not limited to:

- Futures and Forwards, including money market and government bond futures;
- Foreign Exchange spot and forward contracts;
- Options.

The Sub-Fund will not invest in Asset Backed Securities ("ABS") or Mortgage Based Securities ("MBS") or other structured products involving special purpose vehicles with the aim of grouping together on their books any series of claims on different debtors.

In the event of a downgrade leading the average portfolio quality to drop below the minimum quality described above then the Investment Manager shall undertake the remedial actions in the best interest

of the Unitholder (including the possibility to reduce exposure to the positions involved in the downgrade) as soon as possible and within 180 calendar days.

The Sub-Fund may temporarily (i.e. not more than 6 months) invest in money market instruments for not more than 20%; moreover, the Sub-Fund shall hold cash and cash equivalents for not more than 20%.

The Sub-Fund will not invest directly in CoCo bonds, Distressed Securities, High Yield and ABS/MBS but may be to a certain extent indirectly exposed to such instruments.

Benchmark: None

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its return in a manner consistent with the principles of environmental, social and governance “ESG” focused investing. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities established by the Regulation 2020/852. At the time of drawing up the Prospectus, the Sub-Fund falls within the scope of article 6 of the SFDR, and the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being moderate.

1.3. INVESTMENT MANAGER:

The Management Company will act as Investment Manager for this Sub-Fund.

1.4. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-fund:

The Sub-fund is dynamic and may exhibit above-average potential growth and investment performance, depending on the economic environment. The opportunities for above-average growth may in some circumstances lead to very positive but also to very negative price fluctuations for the Sub-funds.

1.5. INVESTMENT RESTRICTIONS:

Concentration - Investment Fund Level. The Investment Manager will seek to ensure that the Sub-Fund’s investment in any single investment fund will not exceed 10% of the Sub-Fund’s aggregate Net Asset Value.

Derivatives may be used for hedging purposes and for efficient portfolio management.

1.6. GLOBAL EXPOSURE CALCULATION

The method used to calculate the General Exposure is the *commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2*. The maximum level of leverage calculated according to the commitment approach is of 20%.

1.7. USE OF SFT

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT is as follows:

Securities lending	60 %
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The current expected proportion of assets under management that will be subject to SFT is as follows:

Securities lending	40 %
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Generally, no more than 25% of the gross revenue arising from securities lending transactions may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The Sub-Fund does not make use of total return swaps.

1.8. INVESTOR'S PROFILE:

Medium/long term (3-5 years) time horizon investor with moderate risk aversion and positive expected return on the entire period.

1.9. CLASSES OF UNITS:

Classes I(Dist), I(Cap) denominated in Euro, are offered.

The class I(Dist) is distribution class of units whereas class I(Cap) is capitalization class of units.

Classes I(Dist) and I(Cap) are reserved to Institutional Investors with a minimum subscription amount of 10,000 Euro duly approved by the Board of the Management Company.

1. Minimum initial subscription amount:

Class I(Dist) and I(Cap): Euro 10,000

2. Minimum subsequent subscription amount:

Class I(Dist) and I(Cap): Euro 10,000

1.10. FEES:

1. Management Company fee:

up to 0.30% of the Net Asset Value of the Sub-fund payable to the Management Company.

Frequency of payment: Quarterly.

2. Investment management fee:

up to 0.20% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: Quarterly.

3. Performance fee: nil.

4. Maximum level of management fees

The maximum level of management fees that may be charged to the UCITS and/or UCI in which the Sub-Fund intends to invest is of 150 bps.

1.11. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: weekly.

Valuation Day: Friday and if such day is not a Full Banking Day, the following Full Banking Day.

In addition, if the last Full Banking Business Day of the month is not a Friday, such day will also be a Valuation Day.

Net Asset Value Calculation Day: the first Full Banking Day following the Valuation Day.

1.12. REFERENCE CURRENCY:

The reference currency of the Sub-fund is EURO.

1.13. HISTORICAL PERFORMANCE:

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund has been recently launched.

FONDACO LUX ABSOLUTE RETURN BOND

1.1. INVESTMENT POLICY AND OBJECTIVE:

Objective: The portfolio aims to generate a return in line with the return of Euribor 3 Month + 2% with an 4% annualized volatility (with no guarantee that such target return will be achieved), employing a discretionary and flexible strategy mainly investing in government bonds issued by developed countries with absolute return approach. On average, volatility is expected to be in the range between 4% and 8%.

Investment Policy:

The portfolio will mainly invest in government bonds issued by developed countries in different currencies with an investment grade credit quality; nevertheless, on ancillary basis it can invest in corporate bonds for a maximum of 40% of the portfolio and in non-investment grade bonds for a maximum of 25% of the portfolio. The Investment Manager will assess internally the credit rating for each bond, including unrated bonds, with the goal to identify market opportunities, including the risk/reward profile and each potential triggers for disposals. The average internal rating (including unrated bonds) will be around BBB/BBB+. Moreover, the Investment Manager will identify and constantly monitor the potential credit risk associated with the exposure and the events which may imply not having the bond anymore part of the portfolio.

No restrictions in terms of geographic and sector area are applied as well as in terms of currencies. The investments in emerging countries will represent a maximum of 30% of the Sub-Fund portfolio and will mainly be located among other countries in China, Eastern European countries (Czech Republic, Poland, Romania, Bulgaria, Hungary, Croatia, Slovenia), Mexico, Brazil, Malaysia, South Korea and Indonesia.

The portfolio may also invest in units of other UCITS and/or other UCIs (eligible in accordance with article 41 e) and article 46 (2) of the Law of 2010), listed (e.g. ETF) or unlisted (provided that they are eligible in accordance with article 41 e) of the Law of 2010) which comply with the provisions of CSSF press release 18-02 within the fixed income space for a maximum of 15% of the portfolio. In relation to the investments in units of UCITS, other UCIs, the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it intends to invest is of 150 bps.

Investments in emerging markets may also be possible both indirectly via dedicated or diversified funds or directly.

The Investment Manager may also enter into derivative transactions for hedging and investment purposes as well as for efficient portfolio management in accordance with the restrictions set forth in the "Techniques and Instruments and SFT and TRS" chapter of the prospectus. Derivative instruments, which may be listed or traded over the counter may also include, but are not limited to options, forward foreign exchange contracts, futures, swaps (such as credit default swaps, credit default swap indices, currency swaps, inflation linked swaps, interest rate swaps, swaptions)

The Sub-Fund will not invest in Asset Backed Securities ("ABS") or Mortgage Based Securities ("MBS") or other structured products involving special purpose vehicles with the aim of grouping together on their books any series of claims on different debtors.

In the event of a downgrade leading the average portfolio quality to drop below the minimum quality described above then the Investment Manager shall undertake the remedial actions in the best interest of the Unitholder (including the possibility to reduce exposure to the positions involved in the downgrade) as soon as possible and within 180 calendar days.

The Sub-Fund may temporarily (i.e. not more than 6 months) invest in money market instruments; moreover, the Sub-fund shall hold cash and cash equivalents for not more than 20%.

The Sub-Fund will not invest directly in Distressed and defaulted Securities, but may be to a certain extent indirectly exposed to such instruments.

Benchmark:

The "Benchmark" is the Euribor 3 Month + 2%.

The Sub-Fund will be managed actively, independently from the Benchmark.

The Sub-fund aims to outperform its benchmark rather than replicate it precisely and it is not designed to track its reference benchmark therefore holdings in the portfolio may differ from the benchmark. Moreover, the Sub-Fund has a performance objective linked to the performance of a benchmark.

The Benchmark is used for measuring the performance of the Sub-Fund for the purpose of computing the performance fees payable to the Investment Manager.

1.2. ESG APPROACH

The Sub-fund does not have sustainable investment as its main objective nor does it actively promote environmental or social characteristics. It will however seek to maximise its return in a manner consistent with the principles of environmental, social and governance "ESG" focused investing. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities established by the Regulation 2020/852. At the time of drawing up the Prospectus, the Sub-Fund falls within the scope of article 6 of the SFDR, and the likely impacts of sustainability risks on the returns of the Sub-fund are considered as being moderate.

1.3. INVESTMENT MANAGER:

The Investment Manager is Fondaco S.G.R. S.p.A. with registered office in Corso Vittorio Emanuele II, 71, Turin, Italy.

1.4. RISK CONSIDERATIONS SPECIFIC TO THE SUB-FUND:

In addition to the general risk factors set out in Section V of the Prospectus, investors should be aware of the following risk associated with an investment in the Sub-fund:

The Sub-fund is dynamic and may exhibit above-average potential growth and investment performance, depending on the economic environment. The opportunities for above-average growth may in some circumstances lead to very positive but also to very negative price fluctuations for the Sub-funds.

1.5. INVESTMENT RESTRICTIONS:

Derivatives may be used for hedging purposes and for efficient portfolio management.

1.6. GLOBAL EXPOSURE CALCULATION

The method used to calculate the General Exposure is the commitment approach as described in section 4 of the ESMA Q&A and the ESMA guidelines on Risk Management for UCITS paragraph 2. The maximum level of leverage calculated according to the commitment approach is of 100%.

1.7. USE OF SFT AND TRS

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFT and TRS is as follows:

Securities lending	60 %
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TRS	30 %
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The current expected proportion of assets under management that will be subject to SFT and TRS is as follows:

Securities lending	40 %
TRS	15 %

Generally, no more than 25% of the gross revenue arising from total return swaps and securities lending transactions, may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the financial report of the Fund.

The securities lending transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a continuous basis. The rationale to use securities lending is to generate additional income.

The total return swaps transactions, in the expected and maximum proportion of assets under management that will be subject to as stated above, will be used on a temporary basis. The rationale to use total return swaps is to generate additional income.

1.8. INVESTOR'S PROFILE:

Medium/long term (3-5 years) time horizon investor with moderate risk aversion and positive expected return on the entire period.

1.9. CLASSES OF UNITS:

Class I, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by investor up to 25 million euros included.

1. Minimum initial subscription amount:
Class I: Euro 10,000
2. Minimum subsequent subscription amount:
Class I: Euro 10,000

Class A, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by the Management Company, its parent company (jointly, "Fondaco Group"), their Affiliates and the employees of Fondaco Group.

1. Minimum initial subscription amount:
Class A: Euro 10,000
2. Minimum subsequent subscription amount:
Class A: Euro 10,000

Class Z, Capitalisation and distribution units, denominated in Euro, are reserved for subscription by investor above 25 million.

1. Minimum initial subscription amount:
Class Z: Euro 50,000
2. Minimum subsequent subscription amount:
Class Z: Euro 10,000

1.10. FEES:

1. Management Company fee:

Up to 0.10% of the Net Asset Value of the Sub-fund payable to the Management Company.

Frequency of payment: Quarterly.

2. Investment management fee:

Up to 0.80% of the Net Asset Value of the Sub-Fund, payable to the Investment Manager.

Frequency of payment: Quarterly.

3. Performance fee:

For Classes I and Z the Investment Manager is entitled to receive a Performance Fee payable out of the assets of the Sub-Fund equal to 20% of the extra return (positive difference) net of all costs of the Net Asset Value (prior to computing the performance fee) of the Sub-Fund above the Benchmark subject to a Relative High-Water Mark as defined below.

The Relative High-Water Mark is the highest extra return (positive difference) of the Net Asset Value (prior to computing the performance fee) of the Sub-fund above the Benchmark since inception or at the last Paying Date (as defined below). The Net Asset Value at launch will be set as the first "Relative High-Water Mark".

The Excess Return is the extra return (positive difference) net of all costs of the Net Asset Value (prior to computing the performance fee) of the Sub-Fund above the Benchmark since inception minus the Relative High-Water Mark.

The Performance Calculation Period is the period running from the precedent Paying Date and the last day of each year except for the first Performance Calculation Period which shall run from the day of the launch of the Sub-Fund until the last day of the year following the launch.

The Paying Date is the last day of the year and is the day where, if the performance Fee is due, the Performance Fee is paid.

This model will allow for the payment of a performance fee only if the Sub-Fund reaches a new High-Water Mark on the year end and it will continue over the whole life of the Sub-Fund.

The performance fee is due if the Excess Return is positive.

At the launch of the Sub-Fund the Performance Fee Period will start on the first NAV calculation at par.

The Performance fee will be calculated as the product of:

- (iv) the lower between the Net Asset Value of the Sub-Fund at the Paying Date and the average Net Asset Value of the Sub-Fund over the Performance Calculation Period, and
- (v) the Excess Return, and
- (vi) 20%

The performance fee is calculated at each NAV calculation and, if due, crystalized and paid at year end.

Frequency of payment: annually.

Performance Fee example:

$$\text{Performance fees} = \sum_t^N (\text{extra return}_t * 20\%) * \min(\text{NAV}_t, \text{average NAV}_t)$$

T= Reference period

N= end of referenxe period= Paying date

if excess return_t>0

Excess Return_t=extra return_t-RHWM_t

RHWM_t=highest extra return since inception till the time paying date

extra return= $\max(0, \Delta \text{NAV}_{\text{per shares } t} - \Delta B_t)$

average NAV_t=average of total NAV since inception to the date t

$\Delta \text{NAV}_{\text{per shares}} = \text{percentage change} = (\text{NAV}_t - \text{NAV}_{\text{reference date}}) / \text{NAV}_{\text{reference date}}$

$\Delta B_t = \text{percentage change of benchmark value} = (B_t - \text{B}_{\text{reference date}}) / \text{B}_{\text{reference date}}$

Reference NAV and B=benchmark: beginning value at inception and in the subsequent years equal to the higher between the inception value and the value at paying date

T=reference period N=end of reference period=Paying date

Numerical Example:

YEAR, where N=1st year	Beginning period	Ending period=paying date	NAV per share beginning period	NAV per share ending Period	NAV per share reference	B value	B reference	RHWM at the paying date	ΔNAV	ΔB	Extra Return	Excess return	Payment of performance fees	Min between NAV at period and average NAV	Performance fee value
N	31/12/N-1	31/12/N	100	99,959	100	100	100	0,237%	-0,041%	-0,191%	0,15%	-0,087%	NO(negative excess of return)	9.995.946,12	0
N+1	31/12/N	31/12/N+1	99,959	100,08	100	100	100	0,237%	0,075%	-0,299%	0,374%	0,137%	YES	10.333.415,78	7.729,40
N+2	31/12/N+1	31/12/N+2	100,08	100,22	100,08	170	170	0,374%	0,145%	-0,345%	0,490%	0,116%	YES	11.227.994,67	11.000,99
N+3	31/12/N+2	31/12/N+3	100,22	100,11	100,22	200	200	0,490%	-0,110%	0,10%	-0,210%	-0,700%	NO(negative excess of return)	10.927.994,67	0,00
N+4	31/12/N+3	31/12/N+4	100,11	101	100,22	200	200	0,490%	0,889%	0,390%	0,499%	0,009%	YES	12.827.994,67	12.802,91

4. Maximum level of management fees

The maximum level of management fees that may be charged to the UCITS and/or UCI in which the Sub-Fund intends to invest is of 200 bps.

1.11. NET ASSET VALUE:

Frequency of valuation of the Net Asset Value: daily.

Valuation Day: each day and if such day is not a Full Banking Day, the following Full Banking Day.

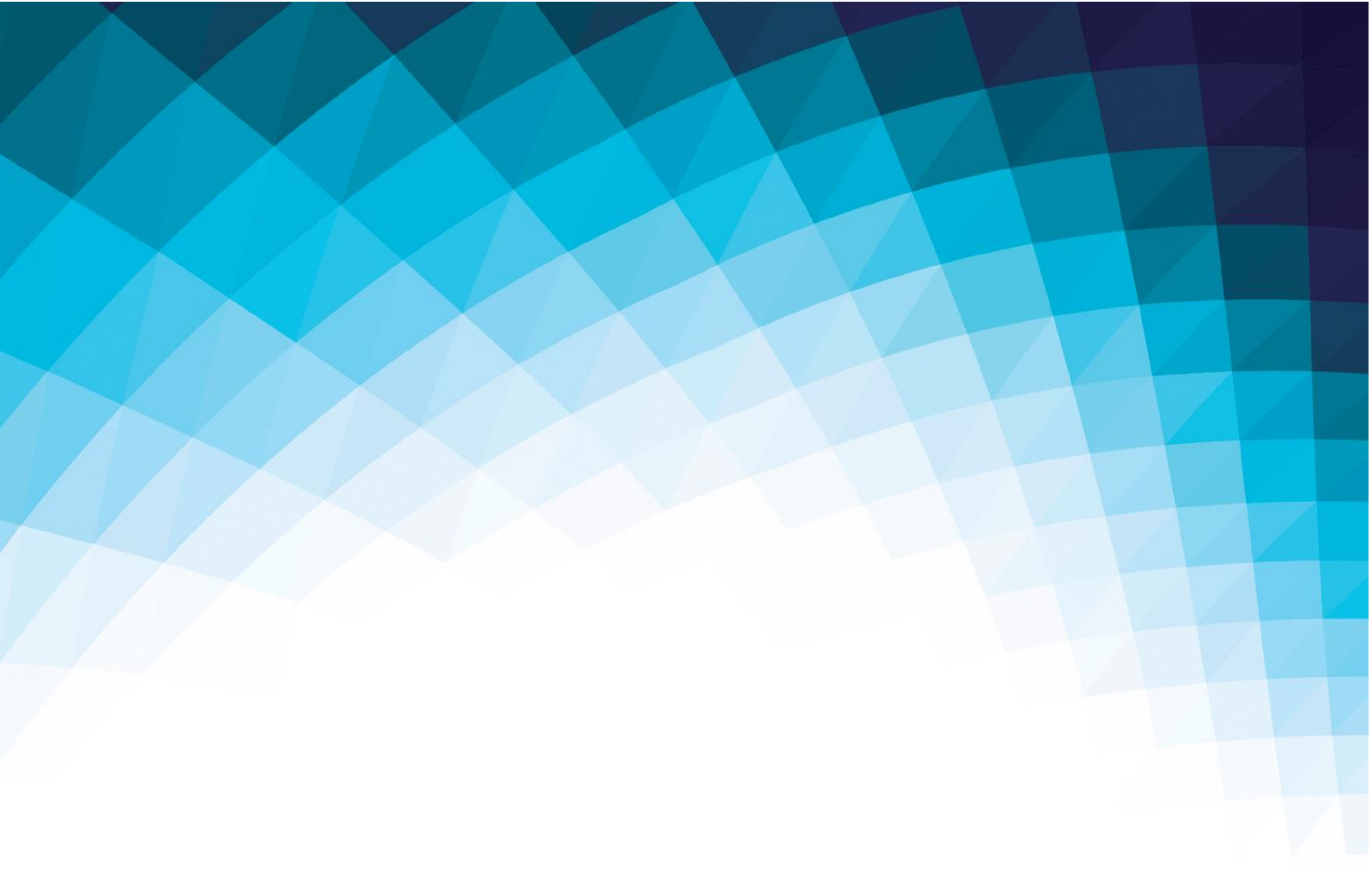
Net Asset Value Calculation Day: the first Full Banking Day following the Valuation Day.

1.12. REFERENCE CURRENCY:

The reference currency of the Sub-fund is EURO.

1.13. HISTORICAL PERFORMANCE:

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund has been recently launched.



Partnering

your long-term investment

needs

SUBSCRIPTIONS SHALL ONLY BE VALID IF MADE ON THE BASIS OF THE KEY INVESTOR INFORMATION DOCUMENT OR THE CURRENT PROSPECTUS ACCOMPANIED BY THE MOST RECENT ANNUAL REPORT AS WELL AS BY THE MOST RECENT SEMI-ANNUAL REPORT IF PUBLISHED MORE RECENTLY THAN THE MOST RECENT ANNUAL REPORT. SUCH REPORTS FORM AN INTEGRAL PART OF THIS PROSPECTUS. NO ONE IS AUTHORISED TO STATE OTHER INFORMATION THAN THAT CONTAINED IN THE PROSPECTUS AND THE DOCUMENTS REFERRED TO HEREIN, WHICH ARE AVAILABLE TO THE PUBLIC.


Fondaco Lux S.A.