PALLADIUM FCP

MUTUAL FUND UNDER
LUXEMBOURG LAW
WITH MULTIPLE SUB-FUNDS

Distribution of this Prospectus is not authorized unless accompanied by a copy of the latest annual financial report and of the latest semi-annual financial report, if published thereafter. Such reports form an integral part of this Prospectus.

Prospectus exclusively for Qualified Investors in Switzerland
August 2021

LIST OF ACTIVE SUB-FUNDS

Name of the Sub-Fund	**Reference currency**
PALLADIUM FCP – RAM Mediobanca Strata UCITS Credit Fund	**EUR**

GENERAL INFORMATION

PALLADIUM FCP (the "**Fund**") is a mutual fund in transferable securities under Luxembourg law established in Luxembourg in accordance with part I of the law of 17 December 2010 relating to undertakings for collective investment ("**UCIs**"), as amended from time to time (the "**Law**"). The Fund is managed by Mediobanca Management Company S.A. (the "**Management Company**"). The current version of the management regulations (the "**Management Regulations**") were signed and entered into force on 21 February 2019. The mention of their deposit with the Luxembourg Trade and Companies Register (the "**R.C.S.**") was published in the *RESA* on 28 February 2019. The Fund is registered with the R.C.S. under number K1320 and the Management Regulations may be consulted at the registered office of the Management Company, where copies may be obtained.

The Fund is offering units (each a "**Unit**" and together the "**Units**") of several separate sub-funds (each a "**Sub-Fund**" and together the "**Sub-Funds**") and within each Sub-Fund separate classes of Units (each a "**Class**" and together the "**Classes**"), on the basis of the information contained in this prospectus (the "**Prospectus**") and in the documents referred to herein.

No person is authorized to give any information or to make any representations concerning the Fund other than the information contained in the Prospectus and in the documents referred to herein, and any subscription made by any person on the basis of statements or representations not contained in the Prospectus or inconsistent with the information contained in the Prospectus shall be solely at the risk of the subscriber. Neither the delivery of the Prospectus nor the offer, sale or issue of Units shall under any circumstances constitute a representation that the information given in the Prospectus is correct at any time subsequent to the date hereof. An amendment or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The Units to be issued hereunder may be of several different Classes which relate to separate Sub-Funds. Units of the different Sub-Funds may be issued, redeemed and converted at prices calculated on the basis of the Net Asset Value per each Class of Units of the relevant Sub-Fund, as defined in the Management Regulations.

The assets of the Fund are the joint and indivisible property of the unit holders (each a "**Unit Holder**" and together the "**Unit Holders**") and are segregated from the assets of the Management Company. All the Units have equal rights. No restrictions are established on the amount of the assets or on the number of Units representing the Fund's assets. The net assets of the Fund must amount to at least EUR 1,250,000.

The rights and the obligations of the Unit Holders, of the Management Company and of the appointed depositary of the Fund (the "**Depositary Bank**") are defined by the Management Regulations.

In agreement with the Depositary Bank and in compliance with the law of Luxembourg, the Management Company may make any amendments to the Management Regulations considered to be in the interest of the Unit Holders.

The entry of the amendments to the Management Regulations in the R.C.S. is published in the *Recueil électronique des sociétés et associations* ("**RESA**"), if no other provisions are made in the document amending the Management Regulations.

In accordance with the Management Regulations, the Management Company may issue Units and Classes of Units in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective 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 best suits their specific risk and return expectations as well as their diversification needs.

The Management Company may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly.

The distribution of the Prospectus and the offering of the Units may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Units to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Management Company has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make any statement herein misleading, whether of fact or opinion. The Management Company accepts responsibility accordingly.

Grand Duchy of Luxembourg - The Fund is registered pursuant to part I of the Law. The registration however does not imply a positive appraisal by any Luxembourg authority of the contents of this Prospectus or the portfolio of assets held by the Fund. Any representation to the contrary is unauthorised and unlawful.

European Union ("**EU**"**)** - The Fund is a UCITS for the purposes of the Council Directive 2009/65/EC ("**UCITS Directive**") and the Management Company of the Fund proposes to market the Units in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

United States of America - The Units have not been registered under the United States Securities Act of 1933, as amended from time to time (the "**1933 Act**"); they may therefore not be publicly offered or sold in the United States of America, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by the Management Regulations (a "**U.S. Person**").

The Units are not being offered in the United States of America, and may be offered in the United States of America only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the United States Investment Company Act of 1940, as amended from time to time (the "**1940 Act**"). No transfer or sale of the Units shall be made to U.S. Persons unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration

statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Units may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the United States of America, a partnership organized or existing in any state, territory or possession of the United States of America or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the law of or existing in the United States of America or any state, territory or possession thereof or other areas subject to its jurisdiction. All purchasers must certify that the beneficial owner of such Units is not a U.S. Person and does not fall within the scope of the above description and is purchasing such Units for its own account, for investment purposes only and not with a view towards resale thereof.

The Management Regulations give powers to the Management Company to impose such restrictions as it may think necessary for the purpose of ensuring that no Units in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Management Company might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The Fund may compulsorily redeem all Units held by any such person.

The value of the Units may fall as well as rise and a Unit Holder on transfer or redemption of Units may not get back the amount he initially invested. Income from the Units may fluctuate in money terms and changes in rates of exchange may cause the value of Units to go up or down. The levels and basis of, and relief from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions, exchange control requirements or additional costs and expenses incurred relating to investments in the Fund which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Units of the Fund (including, but not limited to any potential fees of local financial intermediaries).

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in Unit Holders' meetings, if any, if the investor is registered himself and in his own name in the Unit Holders' 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 Unit Holder rights directly against the Fund. Investors are advised to take advice on their rights.

All references in the Prospectus to "**USD**" and "**EUR**" are to the legal currency of the United States of America and the EU.

All references to: - "**Applicable Laws**": refers to all applicable laws, regulations, circulars and other rules and guidelines as may be issued from time to time by the EU and

Luxembourg relevant competent authorities, including the ESMA and the CSSF, that are applicable in relation to this Fund.

- "**Business Day**": refers to any day on which banks are open for business in Luxembourg except 24 and 31 December unless otherwise specified in the relevant part B of this Prospectus.

- "**Net Asset Value**": the net asset value per Unit of each Class which is determined on each day which is a Valuation Day for that Sub-Fund, as set out in part B of this Prospectus.

- "**Valuation Day**": unless otherwise specified in part B of this Prospectus, a Valuation Day in relation to any Sub-Fund is every day which is a bank Business Day in Luxembourg.

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 (the "**Benchmarks Regulation**"), the Management Company of the Fund has adopted a benchmark contingency plan to set out the actions which the Fund would take in the event that a benchmark used by a Sub-Fund materially changes or ceases to be provided (the "**Benchmark Contingency Plan**"). The Benchmark Contingeny Plan is available for inspection free of charge at the registered office of the Management Company.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmarks Regulation (each a "**Benchmark Administrator**"). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

Benchmark(s)	**Benchmark Administrator**	**Status of the Benchmark Administrator**
EURIBOR	European Money Markets Institute	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.
LIBOR	ICE Benchmark Administration Limited	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.

Further copies of this Prospectus may be obtained from:

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

DIRECTORY

PALLADIUM FCP

Fonds commun de placement

R.C.S. Luxembourg K1320

Management Company:	**Mediobanca Management Company S.A.** 2, Boulevard de la Foire L-1528 Luxembourg Grand Duchy of Luxembourg
Board of directors of the Management Company:	Fabio Ventola Chief Executive Officer 2, Boulevard de la Foire L-1528 Luxembourg Grand Duchy of Luxembourg Massimo Amato Independent Director 20, Rue C. Martel L-2134 Luxembourg Grand Duchy of Luxembourg Giovanni Mancuso Independent Director 151, rue Pierre Krier L-1880 Luxembourg Grand Duchy of Luxembourg Alessandro Ragni Independent Director 2, boulevard de la Foire L-1528 Luxembourg Grand Duchy of Luxembourg
Conducting officers of the Management Company:	Fabio Ventola Fabio Gabriele
AML officer of the Management Company:	Fabio Gabriele

Depositary Bank and Transfer and Registrar Agent:	**BNP Paribas Securities Services, Luxembourg Branch** 60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Administrative Agent:	**BNP Paribas Securities Services, Luxembourg Branch** 60, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Delegated Investment Manager:	**RAM Active Investments S.A.** Rue du Rhône 8 CH-1204 Genève Switzerland
Auditor of the Management Company and of the Fund:	**Ernst & Young** 35E, avenue John F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Legal Advisors:	**Arendt & Medernach S.A.** 41A, avenue J.F. Kennedy L-2082 Luxembourg Grand Duchy of Luxembourg

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PART A: FUND INFORMATION

A.1. INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS

I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of its Unit Holders within the limits set forth under "Investment Restrictions". In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other assets permitted by law including but not limited to cash and cash equivalents.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that their investment objective will be achieved.

The investment policies and structure applicable to the various Sub-Funds created by the Management Company are described hereinafter in part B of this Prospectus. If further Sub-Funds are created the Prospectus will be updated accordingly.

II. INVESTMENT RESTRICTIONS

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 and the course of conduct of the management and business affairs of the Fund.

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

1) General principle

Investment in each Sub-Fund of the Fund shall consist solely of one or more of the following:

a) Transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

b) Transferable securities and money market instruments dealt in on another market in a member state of the European Union which is regulated, operates regularly and is recognized and open to the public;

c) Transferable securities and money market instruments officially listed on a stock exchange in North America, Central America, South America, Australia (including Oceania), Europe and/or Asia or dealt in on another market in North America, Central America, South America, Australia (including Oceania), Europe and/or Asia which is regulated, operates regularly and is recognized and open to the public;

d) Recently issued transferable securities and money market instruments provided that:
   - The terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under 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 UCIs 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 of the European Union or not, provided that:
   - Such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("**CSSF**") to be equivalent to that laid down in EU law and that cooperation between authorities is sufficiently ensured;
   - The level of guaranteed protection for share or unit holders in such other UCIs is equivalent to that provided for share or unit holders 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 the other UCI 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;
   - No more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its management regulations or constitutive 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 12 months, provided that the credit institution has its registered office in a member state of the European Union or, if the registered office of the credit institution is situated in a non-member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

g) Financial derivatives, including equivalent cash settled instruments, dealt in on a regulated market referred to under a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
   - The underlying consist of instruments covered by this Section 1, 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 derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF and the board of directors of the Management Company; 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 referred to in a), b) and c), if the issue 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 of the European Union, the European Central Bank, the European Union or the European Investment Bank, a non-member state of the European Union 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 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 CSSF 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 CSSF 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 the Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, (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 securitization vehicles which benefit from a banking liquidity line.

2) Other assets

The Management Company, acting on behalf of each Sub-Fund may:

a) invest up to 10% of the net assets of each of the Sub-Funds in transferable securities and money market instruments other than those referred to under Section 1) a) through d) and 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 and that its amount does not exceed 15% of the total assets of the Fund;
d) acquire foreign currencies by means of back-to-back loans.

3) Investment restrictions per issuer

In addition, the Management Company, on behalf of the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

a) **Rules for risk spreading**

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same group of companies shall be treated as a single issuer.

- **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 laid down in paragraph (1) is raised to 20% in the case of transferable securities and money market instruments issued by the same group of companies.

(3) The 10% limit laid down 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 of the European Union, by its local authorities, by a non-member state of the European Union or by public international bodies to which one or more member states of the European Union are members.

(4) 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 of the European Union 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.

(5) The values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) above.

(6) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-Fund is authorized to invest up to 100% of its assets in transferable securities and money market instruments issued or guaranteed by a member state of the European Union, its local authorities, a member state of the OECD or public international bodies of which one or more member states of the European Union are members, 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.

(7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities 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 recognized by the CSSF 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;
- The index is published in an appropriate manner.

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**

(8) The Management Company, on behalf of a Sub-Fund may not invest more than 20% of its net assets in deposits made with the same entity.

- **Derivatives**

(9) The risk exposure to a counterparty in an OTC derivatives 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.

(10) The Management Company, on behalf of a 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 (5), (8), (16) and (17). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (8), (16) and (17).

(11) When a transferable security or money market instruments embeds a derivative, the latter must be taken into account when applying the provisions laid down in (12), (16) and (17), and when determining the risks arising on transactions in derivative instruments.

(12) With regard to derivative instruments, each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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.

As more specifically provide for in the section "Financial Techniques and Instruments" herebelow and in the particulars of the Sub-Funds in part B of the Prospectus, derivatives may be used for both hedging and investment purposes.

- **Shares or units in open-ended funds**

(13) The Management Company, on behalf of each Sub-Fund may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.

(14) Furthermore, investments made in UCIs other than UCITS by the Management Company, on behalf of a Sub-Fund, may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.

(15) To the extent that a UCITS or UCI is composed of several Sub-Funds and provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties, each Sub-Fund shall be considered as a separate entity for the application of the limit laid down in (13) hereabove.

When the Management Company, on behalf of a Sub-Fund invests in the shares or units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the 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, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of other UCITS and/or other UCIs.

If the Management Company, on behalf of a Sub-Fund shall decide to invest a substantial proportion of its assets in other UCITS and/or UCIs the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCIs in which it intends to invest will be disclosed in part B of this Prospectus under the specific information regarding the concerned Sub-Fund.

- **Combined limits**

(16) Notwithstanding the individual limits laid down in (1), (8) and (9), the Management Company, on behalf of the Sub-Funds may not combine:

- Investments in transferable securities or money market instruments issued by;
- Deposits made with; and/or
- Exposures arising from OTC derivatives undertaken with a single body in excess of 20% of its net assets.

(17) The limits set out in (1) to (5), (8) and (9) cannot be combined. Thus, investments by the Management Company for 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 (5), (8) and (9) may not exceed a total of 35% of the net assets of the Sub-Fund.

b) **Restrictions with regard to control**

(18) The Management Company, on behalf of a Sub-Fund may not acquire such amount of shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(19) The Management Company, on behalf of the Fund may acquire no more than:

(i) 10% of the outstanding non-voting shares of the same issuer,

(ii) 10% of the outstanding debt securities of the same issuer,

(iii) 25% of the outstanding shares 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 laid down in (18) and (19) are waived as regards:

- Transferable securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;
- Transferable securities and money market instruments issued or guaranteed by a non-member state of the European Union;
- Transferable securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
- Shares held in the capital of a company incorporated in a non-member state of the European Union 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 company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
- 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 Unit Holders request exclusively on its or their behalf.

Securitisation

(21) The Investment Managers shall not invest on behalf of a Sub-Fund in securitisation positions which are issued on or after 1 January 2019, unless these comply with the obligations imposed by Articles 5 and 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation (the "**Securitisation Regulation**").

4) Further restrictions

Furthermore, the following restrictions will have to be complied with:

a) The Management Company, on behalf of a Sub-Fund may not acquire either precious metals or certificates representing them.

b) The Management Company, on behalf of a Sub-Fund may not 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.

c) The Management Company, on behalf of a Sub-Fund may not issue warrants or other rights giving holders the right to purchase Units in such Sub-Fund.

d) Without prejudice to the possibility of the Management Company to acquire debt securities and to hold bank deposits on behalf of a Sub-Fund, the Management Company, on behalf of a Sub-Fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Management Company, on behalf of a Sub-Fund from acquiring transferable securities, money market instruments or other financial instruments that are not fully paid-up.

e) The Management Company, on behalf of a Sub-Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

5) Excercising of subscription rights

Notwithstanding the above provisions:

a) The Management Company, on behalf of a Sub-Fund needs not necessarily to comply with the limits referred to hereabove when exercising subscription rights attaching to transferable securities or money market instruments which form part of such Sub-Fund's portfolio concerned.

b) If the limits referred to above are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, the Management Company, on behalf of 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 Unit Holders.

6) Cross-investments

Finally, the Management Company may have a Sub-Fund of the Fund subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the Fund, in accordance with the provisions set forth in the sales documents of the Fund and with the restrictions set forth in the Law, provided that:

a) The target Sub-Fund does not, in turn, invest in the Sub-Fund investing in the target Sub-Fund.

b) No more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated may be invested, according to its investment policy, in aggregate in Units of other target Sub-Funds of the Fund.

c) Voting rights, if any, attaching to the Units of the target Sub-Fund are suspended for as long as they are held by the investing Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports.

d) In any event, for as long as the Units of the target Sub-Fund are held by the investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law.

7) Master-feeder structures

Under the conditions set forth in Luxembourg laws, circulars and regulations, the Management Company may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws:

a) create any Sub-Fund and/or Class of Units qualifying either as a feeder UCITS or as a master UCITS.

b) convert any existing Sub-Fund and/or Class of Units into a feeder UCITS Sub-Fund and/or Class of Units or change the master UCITS of any of its feeder UCITS Sub-Fund and/or Class of Units.

By way of derogation from article 46 of the Law, the Fund or any of its Sub-Funds which acts as a feeder (the "**Feeder**") of a master-fund shall invest at least 85% of its assets in another UCITS or in a Sub-Fund of such UCITS (the "**Master**").

The Feeder may not invest more than 15% of its assets in the following elements:

a) Ancillary liquid assets in accordance with article 41 (2), second sub-paragraph of the Law.

b) Financial derivative instruments which may be used only for hedging purposes, in accordance with article 41 (1), point g) and article 42 (2) and (3) of the Law.

c) Movable and immovable property which is essential for the direct pursuit of the Fund's business.

III. FINANCIAL TECHNIQUES AND INSTRUMENTS

1) General principle

The Fund must employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivatives. It must

communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

The Fund may invest in or employ (i) derivative instruments and (ii) techniques and instruments relating to transferable securities and money market instruments provided that, for the time being, such techniques and instruments are used for efficient portfolio management, hedging purposes, duration management or other risk management of the portfolio as described herebelow.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section "Investment Restrictions". The overall risk exposures related to financial derivative instruments are set out in the relevant section of the Sub-Fund in part B of this Prospectus.

Each Sub-Fund will employ the commitment or Value-at-Risk ("**VaR**") approach to calculate their global exposure accordingly to the risk profile of the Sub-Fund.

Use of financial derivative instruments

Each Sub-Fund may, in accordance with the investment objective and investment restrictions set out in the relevant particulars of the Sub-Fund in part B of this Prospectus, use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the investment objective and policy of the Sub-Fund, as set out in part B of this Prospectus.

The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective in accordance with the Sub-Fund's restrictions and Section A1.II of this Prospectus.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments:

Options: an option contains the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options: put or call options, both of which may be utilised by the Investment Manager. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. A Sub-Fund may use such instruments to hedge against market risk or to gain exposure to credit instruments and other investments, which include bonds, notes, convertible bonds and/or hybrid capital instruments, structured credit instruments, currencies, exchange-traded funds, contracts for differences and indices. Any option entered into by a Sub-Fund will be in accordance with the limits prescribed by Applicable Laws.

Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.

Forwards: forward currency contracts (which include non-deliverable forward currency contracts) could be used by the Investment Manager to hedge against currency risk that has resulted from assets held by the Sub-Fund that are not in the reference currency of the Sub-Fund. The Sub-Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the reference currency to protect the Sub-Fund from foreign exchange rate risk that has risen from holding assets in that currency.

Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.

Currency swap contracts: to exchange currencies at fixed rates of exchange or at floating rates of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. For these instruments the Sub-Fund's return is based on the movement of currency exchange rates and interest rates relative to a fixed currency amount agreed by the parties. Further, non-deliverable swaps may be used, which are currency swaps between a major and minor currency that is restricted or not convertible, whereby there is no delivery of the two currencies involved in the swap.

Index swaps: to serve as a substitute for purchasing a group of bonds (or executing a portfolio of single-name CDS), or it may hedge specific index exposure, gain or reduce exposure to an index or be associated to the performance of one or more relevant underlying indices that are linked directly or indirectly to certain securities.

*Credit default swaps ("**CDS**"):* CDS may be used to transfer the credit exposure of a fixed income product or basket of products, via an index CDS (or a CDS index tranche), between parties. Where the Sub-Fund buys a CDS, this is to receive credit protection, whereas the seller of the default swap guarantees the credit worthiness of the underlying asset to the Sub-Fund. CDS can either serve as a substitute for purchasing bonds/ structured credit instruments or they can hedge specific bond/ structured credit instruments exposure. A Sub-Fund may enter into CDS agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for a deliverable reference obligation. The Sub-Fund may be either the buyer or seller in a CDS transaction. If a Sub-Fund is a buyer and no event of default occurs, the Sub-Fund will have paid for the protection without being required to call upon it. However, if an event of default occurs, the relevant Sub-Fund (if the buyer) will receive the full notional value of the reference obligation that may have little or no value. As a seller, a Sub-Fund receives a fixed rate of income throughout the term of the contract, which typically is between six (6) months and five (5) years, provided that there is no event of default. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation less the value, if any, of the deliverable reference obligation.

*Contracts for differences ("**CFD**")*: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds ("**ETFs**") and other UCITS issues as described in CSSF circular 14/592.

OTC financial derivatives

Each Sub-Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps ("**TRS**") or other financial derivative instruments with similar characteristics, in accordance with its investment objective and policy and the conditions. Such OTC financial derivatives will be safe-kept with the Depositary Bank.

The counterparties to OTC financial derivatives will be selected among financial institutions from OECD member states subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction, being of good reputation and having a minimum rating of BBB. The identity of the counterparties will be disclosed in the annual report. The counterparties will have no discretion over the composition or management of the portfolio of the Sub-Fund or the underlying assets of the financial derivative instruments. Otherwise, for regulatory purposes, the agreement between the Fund and such counterparty will be considered as an investment management delegation.

The Management Company uses a process for accurate and independent assessment of the value of OTC financial derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC financial derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in section A1.III.3. The Sub-Fund will generally to the extent required by law, require the counterparty to an OTC financial derivatives to post collateral in favour of a Sub-Fund representing, at any time during the lifetime of the agreement, up to 100% of a Sub-Fund's exposure under the transaction, and the Fund will be required to do so vice-versa.

The risk exposures to a counterparty arising from OTC derivatives should be combined when calculating the counterparty risk limits of article 52 of the UCITS Directive.

Financial indices

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section A.1. above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies or other financial indices.

For the purposes of this Prospectus, a "financial index" is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Currency hedging on unit class level

For Unit Classes which are specified as "hedged" in the Sub-Fund specific section of part B of this Prospectus, the fluctuation risk of the price for those Unit Classes in the relevant Sub-Fund's reference currency of the relevant Unit Class is hedged against the relevant reference currency of the Sub-Fund. Provision is made for the amount of the hedging to be between 95 % and 105 % of the Net Asset Value of the Unit Class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of Unit Classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Fund and the investment manager of the relevant Sub-Fund will then take all the necessary steps to bring the hedging back within the aforementioned limits. Given that there is no segregation of liabilities between Unit Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to Unit Classes which have deployed hedging could result in liabilities which might affect the Net Asset Value of the other Unit Classes of the same Sub-Fund.

The Fund shall also comply with the provisions set forth by Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**SFTR**"). General information to be included in the Prospectus in accordance with section B of the annex to SFTR are provided in this part A of the Prospectus. Specific information regarding total return swaps ("**TRS**") and other transactions within the scope of SFTR such as (a) repurchase transactions, (b) securities or commodities lending and securities or commodities borrowing, (c) buy-sell back transactions or sell-buy back transactions, and (d) margin lending transactions which are used by the individual Sub-Funds are disclosed in part B of this Prospectus.

In no case may the use of financial techniques and financial instruments lead the Fund to diverge from its investment objectives as expressed in this Prospectus.

2) TRS arrangements

A TRS is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

In general, TRS are unfunded derivatives, i.e. no upfront payment is made by the total return receiver at inception. However, a TRS can be traded in a funded fashion, where the total return receiver pays an upfront amount in return for the total return of the reference asset. An unfunded TRS allows both parties to gain exposure to a specific asset in cost-effective manner (the asset can be held without having to pay additional costs). In contrast, a funded TRS is relatively costlier due to the upfront payment requirement. The TRS which are currently intended to be entered into by a Sub-Fund are further set out in part B of this Prospectus relating to the relevant Sub-Fund.

When entering into TRS arrangements, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in articles 43, 44, 45, 46 and 48 of the Law. Likewise, in accordance with article 42 (3) of the Law and article 48 (5) of CSSF Regulation 10-4, the Fund must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in article 43 of the Law.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions of good reputation specialised in this type of transaction and subject to prudential regulation and supervision in an OECD member state. The counterparties must hold a rating at investment grade level and must, in all cases, have entered into an ISDA master agreement, credit support annex and delegation EMIR reporting agreement. There are no specific requirements as to the legal status of the eligible counterparties (i.e. the corporate form of incorporation of the counterparty). Any counterparty shall be pre-approved by the "Counterparty and Pricing Committee" established at the level of the Management Company and subsequently approved by the board of directors of the Management Company. The counterparties are selected through market and risk-reward analysis ensuring that the counterparties offer all guarantees in terms of organization and best execution policy. The selected counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund's assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the Law or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to an average of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall not confer to the Management Company a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

The total commitment arising from TRS transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of TRS transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The TRS transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically investments in TRS transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

In its financial reports, the Fund must disclose:

a) the underlying exposure obtained through OTC financial derivatives;

b) the identity of the counterparty(ies) to these OTC financial derivatives; and

c) the type and amount of collateral received by the UCITS to reduce counterparty exposure.

A minimum of 55% of the gross revenues arising from TRS and other derivative financial instruments, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund. In particular, fees and cost may be paid to agents of the relevant Sub-Fund and other intermediaries providing services in connection with TRS and other derivative financial instruments as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the relevant Sub-Fund through the use of such instruments. 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 – as well as any relationship they may have with the Depositary Bank, the Management Company or the Investment Manager, if any – will be available in the annual report of the Fund and are set out in part B of the Prospectus for the relevant Sub-Funds.

Assets subject to TRS transactions are safe-kept with the Depositary Bank.

3) Efficient portfolio management techniques

Each Sub-Fund may employ techniques and instruments within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and SFTR, such as securities lending transactions, repurchase agreements and buy-sell back transactions,

provided that such techniques and instruments are used for the purposes of efficient portfolio management in accordance with the conditions set out in section A1.II and the investment objective and policy of the Sub-Fund, as set out in it part B of this Prospectus. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending transaction, repurchase agreements and buy-sell back transactions the Sub-Fund will receive cash or assets as collateral, as further specified in section A1.III.4. Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary Bank, the Investment Manager, or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary Bank, the Investment Manager or the Management Company, if applicable, maybe available in the annual report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

a) **Securities lending**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in part B of this Prospectus, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. The securities will be safe-kept with the Depositary Bank. Securities lending transactions are, in particular, subject to the following conditions:

i. the counterparty must be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum credit rating of BBB; and

ii. a Sub-Fund may only lend securities or instruments to a borrower either directly, through a standardised 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 provided by EU law and specialised in this type of transaction; and

iii. a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

b) **Repurchase agreements and buy-sell back transactions**

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to counterparty subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty, selling them.

Where specified in part B of this Prospectus, a Sub-Fund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments such transactions are, in particular, subject to the following conditions:

i. the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law; and

ii. the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement buy sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement buy- sell back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

Assets subject to securities lending and repurchase and reverse repurchase agreements are safe-kept with the Depositary Bank.

Each Sub-Fund may incur costs and fees in connection with securities lending, repurchase transactions and reverse repurchase transactions. In particular, a Sub-Fund may pay fees to agents and other intermediaries (such as securities lending agents), which may be affiliated with the Management Company, Depositary Bank or Investment Manager in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. A minimum of 55% of the gross revenues arising from securities lending, repurchase transactions and reverse repurchase transactions, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid (for example securities lending agents) and any affiliation they may have with the Management Company, Depositary Bank or Investment Manager, if applicable, will be available in the annual report of the Fund and, to the extent relevant and practicable, in part B of the Prospectus relating to the relevant Sub-Fund.

4) Collateral management and policy for OTC financial derivatives

In order to reduce its credit exposure to the counterparty of any OTC financial derivatives, the relevant Sub-Fund will obtain collateral, under the form of bonds (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), ETFs and cash, covering at least 90% of the market value of the financial instruments object of OTC financial derivatives.

Collateral received must at all times meet the following criteria:

- **Liquidity**: Collateral must be sufficiently liquid in order for it to be sold quickly at a robust price that is close to its pre-sale valuation.
- **Valuation**: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily.
- **Issuer credit quality**: The Management Company, on behalf of the Fund, will ordinarily only accept very high quality collateral.
- **Correlation**: The collateral received by the Sub-Fund will be issued by an entity that is independent from the counterparty and that does not display a high correlation with the performance of the counterparty.
- **Safe-keeping**: Collateral must be transferred to and will be safe-kept with the Depositary Bank.
- **Enforceable**: Collateral must be immediately available to the Management Company, on behalf of the Fund, without recourse to the counterparty, in the event of a default by that entity.
- **Risk management**: Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.

In particular, the following specific restrictions apply:

a) **Non-cash collateral**

- cannot be sold, pledged or re-invested;
- must be issued by an entity independent of the counterparty, any of its affiliates or any entity promoted or sponsored by the counterparty or its affiliates; and
- must be diversified to avoid concentration risk in one issuer, sector or country.

b) **Cash collateral can only be:**

- placed on deposits with entities prescribed in article 41(f) of the Law;
- invested in high-quality government bonds;
- invested in short-term money market funds as defined in the ESMA guidelines on a Common Definition of European Money Market Funds.

Each Sub-Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512 and the ESMA guidelines.

Re-invested cash collateral will expose the Sub-Fund to certain risks such as foreign exchange risk, the risk of a failure, or default, of the issuer of the relevant security in which the cash collateral has been invested. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

The Management Company must make sure that for each Sub-Fund it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Management Company, on behalf of the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities. During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

c) **Collateral diversification (asset concentration)**

Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Management Company, on behalf of the Fund, receives from a counterparty of OTC financial derivatives a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Management Company, on behalf of the Fund, is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Fund may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a member state of the European Union, one or more of its local authorities, a third country, or a public international body to which one or more member states belong. In such case, the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Fund intends to be fully collateralized in securities issued or guaranteed by a member state of the EU. The Fund may accept as collateral for more than 20% of its Net Asset Value securities issued or guaranteed by member states of the EU.

5) Haircut policy

The Fund will receive collateral in such a manner that the risk exposure to a counterparty in any OTC financial derivatives shall 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.

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, on behalf of the Fund for each asset class based on what has been defined in the credit support annex entered into with each counterparty. The level of haircut depends on a variety of factors, including the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the

assets and, where applicable and in particular situations, the outcome of liquidity stress tests carried out by the Management Company, on behalf of the Fund under normal and exceptional liquidity conditions.

The eligible collateral and related haircut range are as follows:

Class of collateral	**Haircut**
Cash	0% This holds only true for cash of the same currency as of the Sub-Fund.
ETF	Between 0% and 10%
Government bonds with maturity up to 1 year	Between 0% and 2%
Government bonds with maturity above 1 year	Between 0% and 5%

6) Reinvestment of collateral

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

a) placed on deposit with a credit institution which has its registered office in a member state of the EU or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down by EU law;

b) invested in high-quality government bonds; and/or

c) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section V (Risk Factors) below.

7) Currency hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Management Company, on behalf of the Fund, may enter into transactions the objective of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or OTC with first class financial institutions specializing in these types of transactions and being participants of the OTC markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency, including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant Sub-Fund - known as

"hedging by proxy"- may not exceed the total valuation of the assets and liabilities held in such currency nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

In its financial reports, the Management Company, on behalf of the Fund, must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

IV. MEASURES TO COMBAT MONEY LAUNDERING AND TERRORIST FINANCING AND REGISTER OF BENEFICIAL OWNERS

Pursuant to the applicable provisions of Luxembourg laws and regulations in relation to the fight against money laundering and terrorist financing ("**AML/CFT**"), obligations have been imposed on the Fund as well as on other professionals of the financial sector to prevent the use of funds for money laundering and financing of terrorism purposes.

The Management Company on behalf of the Fund will ensure their compliance with the applicable provisions of the relevant Luxembourg laws and regulations as they may be amended, revised or supplemented from time to time, including but not limited to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing (the "**2004 AML/CFT Law**"), the Grand-Ducal Regulation of 1 February 2010 providing detail on certain provisions of the 2004 AML/CFT Law (the "**2010 AML/CFT Regulation**"), CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing (the "**CSSF Regulation 12-02**") and relevant CSSF Circulars in the field of AML/CFT, including but not limited to CSSF Circular 18/698 on the authorization and organization of investment fund managers incorporated under Luxembourg law (the "**CSSF Circular 18/698**", and the above collectively referred to as the "**AML/CTF Rules**").

In accordance with the AML/CTF Rules, the Management Company on behalf of the Fund is required to apply due diligence measures on the investors (including on their ultimate beneficial owner(s)), their delegates in accordance with their respective policies and procedures put in place from time to time. Based on article 3 (7) of the 2004 AML/CFT Law, the Management Company on behalf of the Fund is also required to apply precautionary measures regarding the assets of the Fund. Where Units are subscribed through an intermediary acting on behalf of the investor, enhanced customer due diligence measures for this intermediary will also be applied in accordance with the 2004 AML/CFT Law and the CSSF Regulation 12-02.

Among others, the AML/CTF Rules require a detailed verification of a prospective investor's identity. In this context, the Management Company, or the Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Management Company on behalf of the Fund will require prospective investors to provide them with any information, confirmation and documentation until the requesting entity is reasonably satisfied that the requirements of the 2004 AML/CFT Law and any other applicable AML/CTF Rules are complied with.

In accordance with article 3-1 of the 2004 AML/CFT Law, the obligations to perform customer due diligence measures on the investors may be simplified in situations where the risk of money laundering

or terrorist financing has been assessed as low. A simplified customer due diligence is not an exemption from any of the customer due diligence measures; however, the Management Company may adjust the amount, timing, or type of each or all of the customer due diligence measures in a way that is commensurate with the low risk it has identified.

In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Management Company on behalf of the Fund is entitled to refuse the application. Similarly, when Units are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documents have been completed.

In addition, the Management Company on behalf f the Fund, or the Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Management Company on behalf of the Fund, may request investors to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under the AML/CTF Rules, and investors shall be required and accept to comply with such requests.

Moreover, prospective or current investors who fail to comply with the above requirements may be subject to additional administrative or criminal sanctions under applicable laws, including but not limited to the laws of the Grand Duchy of Luxembourg.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "**RBO Law**"), the Fund (or the Management Company on behalf of the Fund, as the case may be) is subject to the obligation to file certain information on the natural persons considered as their beneficial owners, as defined in the 2004 AML/CFT Law, with the register of beneficial owners (the "**RBO**"). Such information includes, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Fund. The Fund is required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the CSSF, the *Commisariat aux Assurances*, the *Cellule de Renseignement Financier*, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CTF Rules, and (ii) to register such information in a publicly available central RBO.

That being said, the Management Company on behalf of the Fund or a beneficial owner may, however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to the information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extorsion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit institutions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO.

In light of the above RBO Law requirements, any persons willing to invest in the Fund and any beneficial owner(s) of such persons (i) are required to provide, and agree to provide, the Management Company

on behalf of the Fund and as the case being the Administrator or their Distributor, nominee or any other type of intermediary (as the case may be), with the necessary information in order to allow the Fund to comply with its obligations in terms of beneficial owner identification, registration and publication under the RBO Law, and (ii) accept that such information will be made available among others to Luxembourg national authorities and other professionals of the financial sector as well as to the public, with certain limitations, through the RBO.

V. RISK FACTORS

1) General risk considerations applicable to the Fund

An investment in the Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. The Fund is not intended to be a complete investment programme and investors should consider their long-term investment goals and financial needs when making an investment decision. An investment in the Fund is intended to be a long-term investment.

Past performance is not necessarily a guide to the future. The value of Units, and the return derived from them, can fluctuate and can go down as well as up. There can be no assurance, and no assurance is given, that the Fund will achieve its investment objectives. An investor who realises his investment after a short period may, in addition, not realise the amount that he originally invested because of the initial charge applicable on the issue of Units.

The value of an investment in the Fund will be affected by fluctuations in the value of the currency of denomination of the relevant Sub-Fund's Units against the value of the currency of denomination of that Sub-Fund's underlying investments. It may also be affected by any changes in exchange control regulations, tax laws, economic or monetary policies and other applicable laws and regulations. Adverse fluctuations in currency exchange rates can result in a decrease in return and in a loss of capital.

An investment in equity instruments may decline in value over short or even extended periods of time as well as rise. Unit Holders should be aware that the holding of warrants may result in increased volatility of the relevant Sub-Fund's value.

Sub-Funds which invest in fixed interest securities are subject to changes in interest rates and the interest rate environment. Generally, the prices of bonds and other debt securities will fluctuate inversely with interest rate changes. Fixed-income securities are subject to credit risk, which is the issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.

2) FATCA / CRS – Investor obligation to report information

Under the terms of the Luxembourg law dated 24 July 2015, as amended from time to time (the "**FATCA Law**") and of the Luxembourg law of 18 December 2015, as amended from time to time (the "**CRS Law**"), the Fund is likely to be treated as a (Foreign) Financial Institution. As such, the Fund may require all Unit Holders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Units held by all Unit Holders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its Unit Holders who would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

3) Base Erosion and Profit Shifting and Anti-Tax Avoidance

It should further be noted that the pace of evolution of fiscal policy and practice has been lately quickened due to a number of developments. In particular, the Organization for Economic Co-operation and Development (the "**OECD**") together with the G20 countries have committed to address abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing inter alia with the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, are being introduced into respective domestic law of BEPS member states via European directives and a multilateral instrument.

The European Council has adopted two Anti-Tax Avoidance Directives (i.e. Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**")) that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II were implemented by the Luxembourg law of 21 December 2018 (the "**ATAD I Law**") and the Luxembourg law of 20 December 2019 (the "**ATAD II Law**"). Almost all of these measures are in principle applicable since 1 January 2019 and 1 January 2020 respectively and may significantly affect underlying returns made to the Fund and thus to the Unit Holders.

Furthermore, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. Luxembourg ratified the MLI through the Luxembourg law of 7 March 2019 and deposited its instrument of ratification with the OECD on 9 April 2019. As a result, the MLI entered into force for Luxembourg on 1 August 2019. Its application per double tax treaty concluded by Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg could significantly affect underlying returns made to the Fund and thus to the Unit Holders.

4) Data protection

In accordance with the provisions of the Regulation n°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 (the "**GDPR**") and of any other data protection legislation applicable to the Grand Duchy of Luxembourg (including but not limited to the Luxembourg law of 1st August 2018 organizing the

National Commission for Data Protection and the general system on data protection, as amended from time to time) (the "**Data Protection Law**"), the Management Company, acting on behalf of the Fund, itself acting as data controller (the "**Data Controller**"), collects, stores and processes, by electronic or other means, the data supplied by investors (or if the investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the "**Data Subjects**") at the time of their subscription for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations.

The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of investors and Unit Holders (the "**Personal Data**"). As part of its compliance with legal obligations such as AML/KYC, the Data Controller may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions as well as criminal convictions and offences.

The Data Subject may at his/her discretion refuse to communicate Personal Data to the Data Controller. In this case, however, the Fund may reject a request for Units in the Fund if the relevant Personal Data is necessary to such subscription of such Units.

Investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Law, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Under certain conditions set out by the Data Protection Law, each Data Subject has a right (i) to access his/her Personal Data, (ii) to ask for Personal Data to be rectified where it is inaccurate or incomplete, (iii) to object to the processing of his/her Personal Data, (iv) to ask for erasure of his/her Personal Data, (v) to restrict the use of his/her Personal Data and (vi) to ask for data portability. Data Subjects can exercise the above rights by writing to the Fund at its registered office, as indicated in the Directory: 2, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

Each Data Subject also has a right to lodge a complaint with the Luxembourg Data Protection Authority (the "**CNPD**") at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription of Units in the Fund (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller.

Personal Data supplied by investors is processed, in particular, for the purposes of (i) processing subscriptions, redemptions and conversions of Units and payments of dividends to investors, (ii) account administration, (iii) client relationship management, (iv) performing controls on excessive trading and market timing practices, (v) tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance

with applicable anti-money laundering rules. Data supplied by Unit Holders is also processed for the purpose of (vi) maintaining the register of Unit Holders of the Fund.

In addition, Personal Data may be processed for the purposes of (vii) marketing. In this respect each Data Subject has the right to object to the use of his/her Personal Data for marketing purposes by writing to the Fund at its registered office, as indicated in the Directory.

The "legitimate interests" of the Data Controller referred to above are:

(a) the processing purposes described in points (iii) and (vii) of the above paragraph of this clause;

(b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger or acquisition of any part of the Fund's business;

(c) compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority; and

(d) exercising the business of the Fund in accordance with reasonable market standards.

The Data Controller may delegate the processing of the Personal Data, in compliance and within the limits of the Data Protection Law, to another entity, including the Depositary Bank, the Transfer and Registrar Agent, the Administrative Agent, the Delegated Investment Manager, the Distributors, the Fund affiliate entities, Legal Advisors and Auditors of the Management Company and of the Fund, other investors as well as any other third party supporting the activities of the Data Controller (the "**Recipients**"), which are located within the European Union.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may also be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose it to foreign tax authorities.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

5) Risk considerations applicable to the use of financial derivatives

While the prudent use of financial derivatives can be beneficial, financial derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Investment in financial derivatives may add volatility to the performance of the respective Sub-Funds and involve distinct financial risks. The following is a summary of the risk factors and issues concerning the use of financial derivatives that investors should understand before investing in the relevant Sub-Fund.

a) Market risk

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

b) Control and monitoring

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

c) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a financial derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Management Company, on behalf of the Sub-Fund, will only enter into over the counter ("**OTC**") financial derivatives if it is allowed to liquidate such transactions at any time at fair value).

d) Counterparty risk

The Management Company, on behalf of the Sub-Fund, may enter into transactions in OTC markets, and the Sub-Funds may incur losses through their commitments *vis-à-vis* a counterparty on the techniques described above, in particular its swaps, TRS or forwards in the event of the counterparty's default or its inability to fulfil its contractual obligations.

These transactions expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and incur significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and financial derivative

techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

e) **Reinvestment of collateral**

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

f) **Other risks**

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

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

If the investors are in any doubt about the risk factors relevant to an investment, they should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

g) **TRS**

These contracts represent a financial derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. A TRS, which involves the receipt of a total return by the Sub-Fund, is similar in terms of risk profile because it genuinely holds the underlying benchmark security. Furthermore, these transactions can be less liquid than interest rate swaps, as there is no standardisation of the underlying benchmark index and this situation can have a negative impact on the ability to settle the TRS position, or on the price at which the settlement is performed. The swap contract is an agreement between two parties, each of whom must bear the credit risk of the other. Hedging is used to minimise this risk. The information risk for TRS is reduced through adherence to the standard International Swaps and Derivatives Association ("**ISDA**") documentation.

Certain Sub-Funds invest in TRS and/or other financial derivative financial instruments that display similar characteristics as further set out in the Sub-Fund specific part B of this Prospectus. In the event that a Sub-Funds makes use of TRS and/or other financial derivative financial instruments that display

similar characteristics, these investments will be made in compliance with the investment policy of such Sub-Fund.

The underlyings of the TRS and other financial derivative financial instruments that display the same characteristics used by a Sub-Fund are further set out in the investment policy of such Sub-Fund in part B of this Prospectus.

The counterparties to such TRS will be high-standing financial institutions specialised in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the financial derivative financial instruments.

The TRS and other financial derivative financial instruments that display the same characteristics shall not confer to the Management Company a right of action against the counterparty in the swap or in the financial derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

h) **OTC financial derivatives**

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC financial derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC financial derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC financial derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC financial derivatives may expose the Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the Sub-Fund.

Sub-Funds may enter into OTC financial derivatives cleared through a clearing house that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC financial derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Sub-Fund. There is a risk of loss by the Sub-Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Sub-Fund has an open position or if margin is not identified and correctly report to the particular Sub-Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central

counterparty. In the event that the clearing broker becomes insolvent, the Sub-Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC financial derivatives, central counterparties and trade repositories (also known as the "**European Market Infrastructure Regulation**" or "**EMIR**") requires certain eligible OTC financial derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC financial derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Sub-Fund.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC financial derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC financial derivatives may be subject the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC financial derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded financial derivatives, which are standardised with respect to their terms and conditions, OTC financial derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC financial derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by ISDA.

i) **Specific risks relating to options**

Transactions in options may also carry a high degree of risk. Selling ("**writing**" or "**granting**") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Sub-Fund for selling the option is fixed, the Sub-Fund may sustain a loss well in excess of that amount. The Sub-Fund would be exposed to the risk of the purchaser exercising the option and the Sub-Fund will be obliged either to settle the option in cash or to acquire or deliver the instrument underlying the option. If the option is "covered" by the Sub-Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. Options also give the buyer or seller an exposure to changes in the level of volatility which is used to price the options.

6) Risk considerations applicable to the use of efficient portfolio management techniques

Securities lending transactions, repurchase agreements or buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase or agreements and buy-sell back transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Sub-Funds may enter into securities lending transactions, repurchase agreements and buy-sell back transactions with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending transactions, repurchase agreements and buy-sell back transactions concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

7) Valuation Risk

A Sub-Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments will be valued at their probable realisation value estimated with care and good faith by the Administrator based on third party indications as directed by the Board of Directors of the Management Company. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or “close-out” prices of such securities.

When investing in repurchase and reverse repurchase transactions, there is a risk that if the buyer of the securities files for bankruptcy or becomes insolvent, the relevant Sub-Fund’s use of the proceeds of the agreement may be restricted pending the close-out and set-off process under the repurchase agreement, including the valuation of the securities held by the other party as collateral.

Where a Sub-Fund enters into securities lending arrangements there is an operational risk associated with marking to market daily valuations.

8) Issuer Risk

Debt instruments involve an issuer-related risk. Debt instruments issued by entities that have a low credit rating or no rating are, as a general rule, considered to be instruments that are at a higher credit risk, with a greater probability of the issuer defaulting, than those of issuers with a higher rating. When the issuer of bonds or debt instruments finds itself in financial or economic difficulty, the value of the bonds or debt instruments (which may fall to zero) and the payments made on these bonds or debt instruments (which may fall to zero) may be affected.

During recessions, a higher percentage of issuers of lower rated debt instruments may default on payments of principal and interest. The price of a lower rated debt instrument may therefore fluctuate drastically due to unfavourable news about the issuer or the economy in general.

The Investment Manager of the relevant Sub-Fund will endeavour to mitigate the risks by diversifying its holdings, among others, by issuer.

9) Risk considerations applicable to the investment in contingent convertible capital instruments ("CoCos")

a) **Trigger level risk**

CoCos, either in the form of Additional Tier 1 securities ("**AT1**") or Tier 2 ("**T2**") CoCos are subject to equity conversion or principal write-down risk if certain contractual or statutory triggers are breached. Therefore, CoCos carry *de facto* an equity risk and these forms of loss absorption are triggered by a breach of a pre-defined Common Equity ("**CET1**" or "**Tier 1 Common Equity Capital**") ratio or at the point of non-viability ("**PONV**"). The trigger risk is largely a function of the capital and or liquidity position of the bank, and could be activated through a material loss in capital and/or an increase in risk weighted assets as measured in the denominator of the capital ratio.

b) **Write-down and conversion risk**

CoCos feature both contractual and statutory loss absorption triggers. Contractual loss absorption is activated if a pre-defined CET1 trigger in the bond documentation is breached (generally either 5.125% or 7% CET1 ratio, depending on the jurisdiction), whereas statutory loss absorption kicks in if the regulator responsible for supervision of the relevant bank no longer deems the bank viable. Principal write-down can be either on a permanent or a temporary basis, and reinstatement of the principal under the latter is subject to the future profitability of the bank and management discretion. The probability of these risks materialising is largely a function of the amount of capital that a bank holds above its regulatory requirements (contractual loss absorption) or the liquidity position of the bank. A lack of liquidity is very likely to trigger the PONV if no liquidity support is provided.

c) **Coupon cancellation**

Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The coupons on T2 CoCos must be paid as long as there is no breach of the contractual or statutory triggers.

While all CoCos (AT1 and T2) are subject to conversion or write down (i.e. the risk of losing part or all of the original investment, the "**write-down risk**") if the issuing bank reaches the trigger levels. For AT1s, there is an additional source of risk for the investor in the form of coupon cancellation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. A breach of the coupon hurdle rate, set by the relevant regulators in the form of CET1 and total capital requirements which vary per bank, will also imply restrictions on coupon distributions and/or full cancellation. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off, and are likely to significantly reduce the valuation of the AT1 securities.

d) **Capital structure inversion risk**

Contrary to classic capital hierarchy, AT1 investors may suffer a loss of capital when equity holders do not.

The required absence of dividend stoppers/pushers implies that whilst AT1 holders may see their coupons cancelled, the issuer is still permitted to continue paying dividends on its common equity and variable compensation to its workforce. This risk materialises when a bank uses its discretionary powers to cancel AT1 coupon payments whilst the bank still operates above coupon hurdle rates. This is not a risk for investors in T2 CoCos as non-payment of coupons is deemed an event of default.

e) **Call extension risk**

AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

It cannot be assumed that AT1 securities will be called on a call date. AT1 CoCos are a form of permanent capital, and the ability to call these instruments depend on the capital position of a bank, replacement capital clauses and the costs of refinancing AT1 securities may be left outstanding into perpetuity and therefore investors run the risk that the principal is not repaid on any call date.

f) **Early Redemption Risk**

CoCos may be subject to early redemption if the securities no longer qualify for inclusion in the capital base, a tax event has occurred (change in tax status) or as a result of a rating methodology change. The securities may be called at par, or even the written down amount, depending on the bond documentation. This could pose a significant risk for investors if the securities are trading above par, or if the bonds have been written down on a temporary basis.

g) **Unknown risk**

The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, the market could either view the issue as an idiosyncratic event or systemic in nature. In the latter case, potential price contagion and

volatility to the entire asset class is possible, and could lead to stressed market pricing, especially when the market turns illiquid.

h) **Yield/Valuation risk**

Investors have been drawn to the instrument as a result of the CoCos' often attractive yield which may be viewed as a complexity premium.

Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCos, coupon cancellation.

i) **Liquidity Risk**

CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

j) **Industry Concentration Risk**

Investors are also advised to consider the industry concentration risk associated with the investment in CoCos in that, were the financial market to suffer a period of general systemic risk or increased defaults across all sectors, there could be higher correlation between all CoCo instruments irrespective of issuer.

10) Risks associated with securitized assets

The relevant Sub-Fund may be subject to the risks associated with assets resulting from securitization operations such as (a) collateralized loan obligations ("**CLOs**"), (b) other collateralized debt obligations ("**CDOs**"), (c) asset backed securities ("**ABS**") including consumer ABS and (d) mortgage backed securities ("**MBS**") including, but not limited to, residential mortgage backed securities ("**RMBS**") and commercial mortgage backed securities ("**CMBS**") (collectively refered to as "**Securitized Assets**").

CLOs are securities backed (collateralized) by corporate loans. CLOs are generally issued in multiple classes based on seniority of rights to interest and principal resulting in different maturity profiles. Each class will carry a different coupon based on the risk and seniority of that class. CDOs are similar to CLOs but backed by high yield bonds.

ABS are securities backed by the cash flows of a pool of assets (mortgage and non-mortgage assets) such as home equity loans, company receivables, truck and auto loans, leases, credit card receivables and student loans. ABS are issued in tranched format or pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Therefore, repayment depends largely on the cash flows generated by the assets backing the securities.

MBS are a sub-set of ABS and securities that are backed by mortgage loans. These securities usually pay periodic coupon payments. Underlying collateral can be comprised of prime mortgages or buy to let or non-conforming mortgages.

RMBS are MBS securities that are backed by residential mortgage loans.

CMBS are MBS securities that are backed by commercial mortgage loans.

a) **Liquidity Risk**

Securitized Assets require complex legal and financial structuring and moreover the securities resulting from such securitization operations feature have less liquidity than more conventional bond issues. A Sub-Fund investing in MBS or ABS may face liquidity risk if it cannot sell a security at the most opportunistic time and price.

b) **Early Repayment Risk**

The yield characteristics of mortgage- and asset-backed securities differ from those of traditional debt obligations. Among the principal differences are that interest and principal payments are made more frequently on mortgage- and asset-backed securities, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. As a result, if the Sub-Fund purchases these securities at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing the yield to maturity. Conversely, if the Sub-Fund purchases these securities at a discount, a prepayment rate that is faster than expected will increase yield to maturity, while a prepayment rate that is slower than expected will reduce yield to maturity. Accelerated prepayments on securities purchased by the Sub-Fund at a premium also impose a risk of loss of principal because the premium may not have been fully amortized at the time the principal is prepaid in full. The market for privately issued mortgage- and asset-backed securities is smaller and less liquid than the market for government sponsored mortgage-backed securities.

c) **Counterparty Risk**

Like with any debt security instrument, the securities stemming from such securitization operations display various risks, including the issuer default risk relative to the failure to pay interests and/or the non-reimbursement of capital. A specific risk is therefore associated with the credit quality of the legal entity issuing these securities. The price of a debt instrument such as a mortgage- or asset-backed security depends, substantially, on the issuer's credit quality or ability to pay principal and interest when due. The price of a debt instrument is likely to fall if an issuer defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. The issuer may default on its obligation to pay principal or interest because of changes in specific market, economic, industry, political, regulatory, geopolitical, and other conditions that affect the underlying assets or collateral of the instrument. In particular, these changes may cause borrowers of underlying mortgages or loans to default on their obligations and/or the guarantees supporting the mortgage- or asset-backed securities to default. Enforcing rights against the underlying assets, collateral or guarantees may be difficult, or the underlying assets, collateral or guarantees may be insufficient to pay principal and/or interest when due. In such a case, the Sub-Fund could incur substantial losses.

d) **Underlying asset quality risk**

In all securitization operations, risk is heavily correlated with the quality of underlying assets, which may be of various types (leveraged loan, bank loan, bank debt, debt securities, etc.), their geographic zones or their sector of economic activity (e.g. a strong increase in the default rate of securitized assets). MBS represent direct or indirect participation in mortgage loans secured by real property, and include single- and multi-class pass-through securities and collateralized mortgage obligations. ABS have structural characteristics similar to mortgage-backed securities. However, the underlying assets are not mortgage loans. Instead, they include assets such as motor vehicle installment sales contracts, installment loan contracts, home equity loans, leases of various types of property and receivables from credit card issuers or other revolving credit arrangements. Movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain types of ABS and MBS. ABS and MBS can also be subject to the risk of default on the underlying mortgages or other assets. ABS and MBS securities are subject to fluctuations in yield due to prepayment rates that may be faster or slower than expected. The Sub-Fund may invest in stripped ABS and MBS which receive differing proportions of the interest and principal payments from the underlying assets. The market value of such securities generally is more sensitive to changes in prepayment and interest rates than is the case with traditional ABS and MBS, and in some cases the market value may be extremely volatile. With respect to certain stripped securities, such as interest only and principal only classes, a rate of prepayment that is faster or slower than anticipated may result in the Sub-Fund failing to recover all or a portion of its investment, even though the securities are rated investment grade.

Payment of principal and interest on some MBS (but not the market value of the securities themselves) may be guaranteed by a public issuer such as the US government, or by agencies or instrumentalities of the US government (whose guarantees are supported only by the discretionary authority of the US government to purchase the agency's obligations). MBS created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral. MBS that are issued or guaranteed by the US government or any of its agencies or instrumentalities may be subject to higher concentration limits than other non-governmental securities. ABS and MBS may be issued by entities, including special purpose vehicles, domiciled and/or administered in a variety of jurisdictions, each with their own corporate, securities and bankruptcy laws and regulations, which may offer various degrees of protection to holders of securities issued by such entities. Therefore a Sub-Fund investing in ABS or MBS may face higher legal risks than a Sub-Fund investing in other types of securities.

e) **Embedded leverage**

Securitized Assets may involve embedded leverage. If the Sub-Funds retain either the most or one of the most subordinated Securitized Assets, it will hold the most embedded leveraged investment in the Securitized Assets. While the embedded leverage presents opportunities for increasing the Sub-Fund’s total return, it has the effect of potentially increasing sensitivity to losses and/or credit events. Accordingly, any event which adversely affects the value of an investment in a Securitized Asset would be magnified to the extent such Securitized Asset is leveraged. However, the losses that the Sub-Funds may incur resulting from the embedded leveraged of the Securitized Assets in which the Sub-Funds have invested cannot be higher than the amount invested in such assets.

f) **Regulatory implications**

In particular such Securitized Assets may be substantially affected by legal, tax and regulatory requirements, including requirements imposed by the securities laws and companies laws in various jurisdictions, as well as all laws and regulations applicable to securitization schemes and/or to the underlying assets. No assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect such Securitized Assets including their liquidity.

The occurrence of any of the risks above may lead to a decrease in the Sub-Funds' Net Asset Values.

11) Specific risks relating to the investment in CLOs and CDOs

Securities issued by CDOs/CLOs (for the purpose of this section refered to as a "**Security**" or collectively as "**Securities**") are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets (for the purpose of this section refered to as "**Assets**") of the relevant issuer or proceeds thereof. Consequently, holders of Securities including the Sub-Fund must rely solely on distributions on the Assets or proceeds thereof for payment in respect thereof.

In addition, interest payments on Securities (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the Assets (or, in the case of a market value Security - as explained hereinafter - proceeds from the sale of the Assets) are insufficient to make payments on the Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer of the related Security to pay such deficiency including to the Sub-Fund will be extinguished.

With a market value CDO/CLO deal, principal and interest payments to investors come from both collateral cash flows as well as sales of collateral. Payments to tranches are not contingent on the adequacy of the collateral's cash flows, but rather the adequacy of its market value. Should the market value of collateral drop below a certain level, payments are suspended to the equity tranche. If it falls even further, more senior tranches are impacted.

An advantage of a market value CDO/CLO is the added flexibility they afford the investment manager. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

Assets consist generally of non-investment grade loans, interests in non-investment grade loans, high yield debt securities and other debt instruments, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. The Assets will generally be subject to greater risks than investment-grade corporate obligations. Such investments are normally considered speculative in nature. Assets are typically actively managed by an investment manager, and as a result Assets will be traded, subject to rating agency and other constraints, by such investment managers. The aggregate return on the Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of the Assets.

The Assets will be subject to certain portfolio restrictions as set forth herein. However, the concentration of the Assets in any one security type subjects the holders of CDOs/CLOs to a greater degree of risk with respect to defaults on the Assets.

The Assets are subject to the risk of deterioration in credit quality which could result in a reduction of credit enhancement to the CLO tranche or ultimately, a failure to receive the principal back (credit risk). In addition, the Assets may be subject to interest rate risk as the Assets may be exposed to changes in interest rate levels. There is also counterparty risk in relation to any hedging transactions at the issuer level.

Changes in the regulatory treatment for holders of similar securities may lead to a reduced universe of buyers and changes in the regulatory or accounting treatment for the originator of the Securities may result in increased call risk.

Securities are in general privately placed and offer less liquidity than other investment-grade or high-yield corporate debt. They are also generally issued in structured transactions with risks different from regular corporate debt. In addition, the assets collateralizing market value Securities are subject to liquidation upon the failure of certain tests, and it is likely that any such liquidation would result in a substantial loss of value of the related market value Securities.

Prices of the Assets may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the Assets. In addition, the ability of the issuer to sell Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant issuer.

The average life of a Securitized Asset may be affected by the financial condition of the underlying loan or the Securitized Asset's issuer and/or the characteristics of the underlying assets, including, without limitation: the existence and frequency of exercise of any optional or mandatory redemption features; the prevailing level of interest rates; the redemption price; and the actual default rate.

12) Custody risk

The Depositary Bank's liability only extends to its own negligence and wilful default and to that caused by the negligence or wilful misconduct of certain of its local agents, and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses, the Fund will have to pursue its rights against the issuer and/or the appointed registrar of the securities.

Securities held with a local correspondent or clearing/settlement system or securities correspondent ("**Securities System**") may not be as well protected as those held within Luxembourg. In particular, losses may be incurred as a consequence of the insolvency of the local correspondent or Securities System. In some markets, the segregation or separate identification of a beneficial owner's securities may not be possible or the practices of segregation or separate identification may differ from practices in more developed markets.

13) Conflicts of interests

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

14) Interested dealings

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

a) contract or enter into any financial, banking or other transaction with one another or with the Management Company, on behalf of the Fund, including, without limitation, investment in securities in any company or body any of whose investments or obligations form part of the assets of the Fund or any Sub-Fund, or be interested in any such contracts or transactions;

b) invest in and deal with units, securities, assets or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of a third party; and

c) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Fund through, or with, the Management Company or the Investment Manager, if any, or the Depositary Bank or any subsidiary, affiliate, associate, agent or delegate thereof.

Any assets of the Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).

There will be no obligation on the part of any Interested Party to account to Unit Holders for any benefits so arising and any such benefits may be retained by the relevant party.

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

15) Conflicts of interests of the Investment Manager

The Investment Manager may execute trades through their affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the

Investment Manager's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services. Certain conflicts of interest may arise from the fact that affiliates of the Investment Manager or the Management Company may act as sub-distributors of interests in respect of the Fund or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment by a Sub-Fund in the units of another collective investment scheme, this commission must be paid into that Sub-Fund.

16) Emerging Markets

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Management Company, on behalf of the Fund, may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the counterparty) through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in emerging market securities.

The Management Company, on behalf of the Fund, will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Management Company, on behalf of the Fund, will be successful in eliminating this risk for the Sub-Funds, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in transferable securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

17) Pandemic Risk

While the full impact of a pandemic is not always known, it may result in continued market volatility and a period of economic decline globally. A pandemic may also have a significant adverse impact on the value of a Sub-Fund's investments and the ability of the Investment Manager to access markets or implement the Sub-Fund's investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the Investment Manager's ability to implement a Sub-Fund's investment policy. A Sub-Fund's access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Fund may in certain circumstances be interrupted as a result of a pandemic.

VI. GLOBAL EXPOSURE AND RISK MEASUREMENT

The Management Company, on behalf of the Fund, may use financial derivatives, whose underlying assets may be transferable securities or money market instruments, both for hedging and for trading purposes.

If the aforesaid transactions involve the use of financial derivatives, these conditions and limits must correspond to the provisions of this Prospectus.

If a Sub-Fund uses financial derivatives for investment (trading) purposes, it may use such instruments only within the limits of its investment policy as set out in part B of this Prospectus.

1) Determination of the global exposure

The Sub-Fund's global exposure must be calculated in accordance with CSSF Circular 11/512. The limits on global exposure must be complied with on an ongoing basis.

It is the responsibility of the Management Company to select or approve an appropriate methodology to calculate the global exposure. More specifically, the selection should be based on the self-

assessment by the Management Company of the Sub-Fund's risk profile resulting from its investment policy (including its use of financial derivatives).

2) Calculation of the global exposure

a) The commitment conversion methodology for standard financial derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative;

b) For non-standard financial derivatives, an alternative approach may be used provided that the total amount of financial the derivatives represents a negligible portion of the Sub-Fund's portfolio;

c) For structured Sub-Funds, the calculation method is described in the ESMA/2011/112 guidelines.

A financial derivative is not taken into account when calculating the commitment if it meets both of the following conditions:

a) The combined holding by the Sub-Fund of a financial derivative relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset; and

b) The financial derivative is not considered to generate any incremental exposure and leverage or market risk.

Where the commitment approach is used, the relevant Sub-Fund's total commitment to financial derivatives, limited to 100% of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after possible netting and hedging arrangements.

3) Risk measurement methodology according to the Sub-Fund's risk profile

The Sub-Funds are classified after a self-assessment of their risk profile resulting from their investments policy including their inherent financial derivatives investment strategy that determines two risk measurements methodologies:

a) The advanced risk measurement methodology such as the VaR approach to calculate global exposure where:

- The Sub-Fund engages in complex investment strategies which represent more than a negligible part of the Sub-Fund's investment policy;
- The Sub-Fund has more than a negligible exposure to exotic financial derivatives; or
- The commitment approach does not adequately capture the market risk of the portfolio.

b) The commitment approach methodology.

Except as otherwise specified in the relevant section of part B of this Prospectus, the Management Company will employ the commitment approach methodology to monitor and measure the global exposure.

4) Investment in non-investment grade securities

For Sub-Funds whose policy allows for the investment in securities rated lower than BBB- (Standard & Poor's), investors are warned that these securities are below investment-grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- (Standard & Poor's), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due and incorporate a high risk as to the ability of the debtor to honour their obligations in full.

Such securities involve higher credit or liquidity risk.

High Credit Risk: Lower rated debt securities, commonly referred to as "junk bonds" are subject to a substantially higher degree of risk than investment grade debt securities. During recessions, a high percentage of issuers of lower rated debt securities may default on payments of principal and interest. The price of a lower rated debt security may therefore fluctuate drastically due to unfavourable news about the issuer or the economy in general.

High Liquidity Risk: During recessions and periods of broad market declines, lower rated debt securities could become less liquid, meaning that they will be harder to value or sell at a fair price.

Due to the volatile nature of the above assets and the corresponding risk of default, investors must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the relevant Sub-Fund. The Management Company or the Investment Manager of the relevant Sub-Fund, if any, will endeavour to mitigate the risks associated with the investment in securities rated lower than BBB-, by diversifying its holdings by issuer, industry and credit quality.

5) Downgrading risk

Debt securities can be rated investment grade or below investment grade. Such ratings are assigned by independent rating agencies (e.g. Fitch, Moody's, Standard & Poor's) on the basis of the creditworthiness of the issuer or of a bond issue. The general assessment of an issuer's creditworthiness may affect the value of the fixed income securities issued by the issuer. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant bond issues. A reassessment of the creditworthiness that results in a downgrading of the rating assigned to an issuer may negatively affect the value of the fixed income securities issued by this issuer.

VII. SUSTAINABILITY-RELATED RISK DISCLOSURES

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund (the "**Sustainability Risk**").

Such risk is principally linked to climate-related events resulting from climate change (a.k.a Physical Risks) or to society's response to climate change (a.k.a Transition Risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFDR**"), the Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of a Sub-Fund.

The Fund does not actively promote sustainability factors, *i.e.* environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (the "**Sustainability Factors**") and does not maximize portfolio alignment with Sustainability Factors; however it remains exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at Sub-Fund level, further detail and specific information is given in Part B of this Prospectus, in each relevant Sub-Fund's Appendix.

The Management Company does not consider the adverse impacts of its investment decisions on Sustainability Factors (i) as no sufficient data of satisfactory quality is available to allow the Management Company to adequately assess the potential adverse impact of the investment decision on Sustainability Factors, and (ii) a clearly defined European regulatory framework on this matter is still missing.

Further information on the manner in which Sustainability Risks are integrated into the investment decisions can be found in the specific section "SFDR Disclosures" available on the website of the Management Company: https://www.mediobancamanagementcompany.com.

Notwithstanding the above, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time.

A.2. THE UNITS

The Fund may issue Units of different Classes reflecting the various Sub-Funds which the Management Company may decide to open. Within a Sub-Fund, Classes of Units may be defined from time to time by the Management Company so as to correspond to (i) a specific distribution policy, such as entitling to distributions ("**Distribution Units**") or not entitling to distributions ("**Capitalization Units**") and/or (ii) a specific sales and redemption charge structure and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, (v) a specific minimum subscription amount or holding amount and/or (vi) any other specific features applicable to one Class.

If different Classes of Units are issued within a Sub-Fund, the details will be described in the relevant Sub-Fund in part B of this Prospectus.

A separate Net Asset Value, which will differ as a consequence of the variable factors described here above, will be calculated for each Class within each Sub-Fund.

The Management Company, on behalf of the Fund, will issue registered Units. The inscription of the Unit Holder's name in the register of Units evidences his or her right of ownership of such registered Units.

All Units must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. The Management Regulations do not envisage general meetings of the Unit Holders.

Fractional registered Units will be issued to one thousandth of a Unit, and such fractional Units shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the Units in the relevant Sub-Fund on a *pro rata* basis.

If the Units of a Sub-Fund are listed on the Luxembourg stock exchange, this will be specified in the relevant section of part B of the Prospectus.

I. DESCRIPTION OF THE UNITS AND CLASSES OF UNITS

1) Classes of Units

The Management Company may decide to issue, within each Sub-Fund, separate Classes of Units, whose assets will be commonly invested but where a specific structure, as mentioned here above, may be applied. The details of the different Classes issued within a Sub-Fund will be specified in part B of this Prospectus.

For the time being the Management Company, on behalf of the Fund may offer the following Classes of Units within the Sub-Funds:

a) Classic Classes (the "**C Classes**"), offered to retail investors, unless reserved for certain investors only as described in part B of this Prospectus.

b) Institutional Classes (the "**I Classes**"), reserved for institutional investors holding the Units as part of their own assets or acting on behalf of individual or corporate entities.

c) Management Classes (the "**M Classes**"), reserved for certain investors only as described in part B of this Prospectus.

d) Planner Classes (the "**P Classes**") reserved for certain investors only as described in part B of this Prospectus.

The particulars of each Sub-Fund will specify the Classes of Units available.

Each of these Classes may be associated with specific fee structure and minimum subscription amounts as detailed hereunder and in part B of this Prospectus.

The investors may be able to subscribe for Units through regular savings plans.

2) Minimum subscription amounts and holding requirements

The Management Company may determine initial minimum subscription amounts and holding amounts for each Class of Units, which if applicable, are detailed in the relevant Sub-Fund in part B of this Prospectus.

The Management Company may also determine a minimum additional subscription amount for Unit Holders wishing to add to their portion of interest a given Class of Units.

The Management Company has the discretion, from time to time, to waive any applicable minimum amounts.

The Management Company may, at any time, decide to compulsorily redeem all Units from Unit Holders whose holding is less than the minimum subscription amount specified for the relevant Sub-Fund or who fail to satisfy any other applicable eligibility requirements. In such case, the Unit Holder concerned shall receive one month's prior notice so as to be able to increase his amount or to satisfy the eligibility requirement.

The Management Company may decide to issue, within each Sub-Fund, separate Classes of Units, whose assets will be commonly invested but where a specific structure, as mentioned here above, may be decided.

II. PROCEDURE OF SUBSCRIPTION, CONVERSION AND REDEMPTION

1) Subscription of Units

The subscription price per each Class of Units in the relevant Sub-Fund is the total of the Net Asset Value per Unit of such Class determined on the applicable Valuation Day (the "**Subscription Price**"). A sales charge may also be applied and details of any such sales charge will be stated in part B of this Prospectus. The Subscription Price is available for inspection at the registered office of the Fund.

Investors whose applications are accepted will be allotted Units issued on the basis of the Net Asset Value per each Class of Units determined as of the Valuation Day following receipt of the application form provided that such application is received by the Fund not later than 4.00 p.m., Luxembourg time (or such earlier time as specified in part B of this Prospectus), on the Business Day preceding that Valuation Day. Applications received after 4.00 p.m., Luxembourg time (or such earlier time as specified in part B of this Prospectus), on the Business Day preceding the Valuation Day, will be dealt with on the following Valuation Day.

Orders will generally be forwarded to the Fund by the distributor(s) or any agent thereof on the date received provided the order is received by the distributor(s) or any agent thereof prior to such deadline as may from time to time be established in the office in which the order is placed. Neither the distributor(s) nor any agent thereof is permitted to withhold placing orders whether with aim of benefiting from a price change or otherwise.

Investors may be required to complete a purchase application for each Class of Units or other documentation satisfactory to the Fund or to the distributor(s) or any agent thereof, indicating that the purchaser is not a U.S. Person, as such term is defined in Management Regulations, or nominees thereof. Application forms containing such representation are available from the Fund or from the distributor(s) or any of its agents.

Payments for Units may be made either in the reference currency of the Fund, or in the reference currency of the relevant Sub-Fund or in any other freely convertible currency.

Payments for subscriptions must be made within five (5) Business Days (or such earlier period as specified in part B of this Prospectus) of the calculation of the Subscription Price.

If the payment is made in a currency different from the reference currency of the relevant Sub-Fund, any currency conversion cost shall be borne by the Unit Holder.

The Fund reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Units in one, several or all of the Sub-Funds.

No Units in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per each Class of Units in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by the Management Regulations.

In the case of suspension of dealings in Units the application will be dealt with on the first Valuation Day following the end of such suspension period.

2) Conversion of Units

Unit Holders have the right, subject to the provisions hereinafter specified, to convert all or part of their Units of any Class from one Sub-Fund into Units of another existing Class of that or another Sub-Fund subject to such conversion being permitted by the relevant Sub-Fund as set out in part B of this Prospectus.

However, the right to convert the Units is subject to compliance with any conditions (including any minimum subscriptions amounts) applicable to the Class into which the conversion is to be effected.

The rate at which Units in any Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant Units or Classes of Units, calculated as of the Valuation Day of the Classes following receipt of the documents referred to below.

Conversions of Units or Classes of Units in any Sub-Fund shall be subject to a fee based on the respective Net Asset Value of the relevant Units or Classes of Units as stated in part B of this Prospectus. However, this amount may be increased if the subscription fee applied to the original Sub-Fund was less than the subscription fee applied to the Sub-Fund in which the Units will be converted. In such cases, the conversion fee may not exceed the amount of the difference between the subscription rate applied to the Sub-Fund in which the Units will be converted and the subscription rate applied to the initial subscription. This amount will be payable to the distributor(s).

Units may be tendered for conversion on any Valuation Day.

All terms and notices regarding the redemption of Units shall equally apply to the conversion of Units.

No conversion of Units will be effected until a duly completed request for conversion of Units has been received at the registered office of the Fund from the Unit Holder.

Fractions of registered Units will be issued on conversion to one thousandth of a Unit.

Written confirmations of portion of interest (as appropriate) will be sent to Unit Holders within ten Business Days after the relevant Valuation Day, together with the balance resulting from such conversion, if any.

In converting Units of any Class of a Sub-Fund for Units of another Class and/or of another Sub-Fund, a Unit Holder must meet the applicable minimum initial investment requirements imposed by the acquired Sub-Fund.

If, as a result of any request for conversion, the number of Units held by any Unit Holder in a Sub-Fund would fall below the minimum subscription amount indicated in the Specific Information for each Sub-Fund, if any, the Fund may treat such request as a request to convert the entire portion of interest of such Unit Holder.

Units in any Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Unit or Classes of Units in such Sub-Funds is suspended by the Fund pursuant to the Management Regulations.

In the case of suspension of dealings in Units, the request for conversion will be dealt with on the first Valuation Day following the end of such suspension period.

3) Redemption of Units

Each Unit Holder of the Fund may at any time request the Fund to redeem on any Valuation Day all or any of the Units or Classes of Units held by such Unit Holder in any of the Sub-Funds.

Unit Holders desiring to have all or any of their Units redeemed should apply in writing to the registered office of the Fund.

The distributor(s) and its agents shall transmit redemption requests to the Fund on behalf of the Unit Holders.

Redemption requests should contain the following information (if applicable): the identity and address of the Unit Holder requesting the redemption, the number of Units to be redeemed, the relevant Class of Units, if any, of the Sub-Fund, the name in which such Units are registered and details as to whom payment should be made. All necessary documents to complete the redemption should be enclosed with such application.

Unit Holders whose applications for redemption are accepted will have their Units redeemed on any Valuation Day provided that the applications have been received by the Fund prior to 4.00 p.m., Luxembourg time (or such earlier time as specified in part B of this Prospectus), on the Business Day preceding the relevant Valuation Day. Applications received after 4.00 p.m. (or such earlier time as specified in part B of this Prospectus), on the Business Day preceding the Valuation Day, will be dealt with on the following Valuation Day.

Units will be redeemed at a price (the "**Redemption Price**") based on the Net Asset Value per Unit or Class of Units in the relevant Sub-Fund determined on the first Valuation Day following receipt of the redemption request, potentially decreased by a fee, as stated in part B of this Prospectus**.**

The Redemption Price shall be paid no later than five (5) Business Days (or such earlier period as specified in part B of this Prospectus) after the calculation of the relevant Net Asset Value.

Payment will be made by transfer bank order to an account indicated by the Unit Holder, at such Unit Holder's expense and at the Unit Holder's risk.

Payment of the Redemption Price will automatically be made in the reference currency of the relevant Sub-Fund, except if instructions to the contrary are received from the Unit Holder; in such case, payment may be made in the reference currency of the Fund or in any other freely convertible currency and any currency conversion cost shall be deducted from the amount payable to that Unit Holder.

The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Units in any Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Unit or Class of Units in such Sub-Fund is suspended by the Fund in accordance with the Management Regulations.

Notice of any such suspension shall be given in all the appropriate ways to the Unit Holders who have made a redemption request which has been thus suspended. In the case of suspension of dealings in Units, the request will be dealt with on the first Valuation Day following the end of such suspension period.

If, as a result of any request for redemption, the number or value of Units or Classes of Units in a Sub-Fund would fall below the minimum amounts for each Class of Units in the relevant Sub-Fund as indicated in part B of the Prospectus, the Fund may treat such request as a request to redeem the entire interest of such Unit Holder.

Unless otherwise provided in the particulars of each Sub-Fund, if on any Valuation Day redemption and conversion requests pursuant to the Management Regulations relate to more than 10% of the Units in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Management Company may decide that part or all of such requests for redemption or conversion will be deferred for such period as the Management Company considers to be in the best interests of the Sub-Fund, but normally not exceeding 30 days. In any such case, an exit fee may be charged to the Unit Holders making a redemption or conversion request to cover the corresponding costs of sales of the underlying portfolio. The rate of such exit fee will be the same for all Unit Holders having requested the redemption or conversion of their Units on the same Valuation Day. The exit fee shall revert to the Sub-Fund from which the redemption or conversion was effected. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.

The Management Company may at all times redeem Units held by investors who are excluded from the right to acquire or to hold Units. This shall apply in particular to U.S. Persons, to non-institutional investors who invest in units reserved for institutional investors, as defined in the Sub-Fund schedules.

III. PROTECTION AGAINST LATE TRADING AND MARKET TIMING

In accordance with Circular 04/146 issued by CSSF regarding the protection of UCIs and their investors against late trading and market timing practices, the Management Company does not authorise practices associated with market timing and late trading. The Management Company will not knowingly allow investments associated with market timing or late trading practices or other excessive trading practices, as such practices may adversely affect the interests of the Unit Holders. The Management Company shall refuse subscriptions, conversions or redemptions from Unit Holders suspected of such practices and take, as the case may be any other decisions as it may think fit to protect the interests of other Unit Holders.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI 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 Value of the UCI.

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

Subscription, redemption and conversion are carried out at unknown Net Asset Value.

A.3. DETERMINATION OF THE NET ASSET VALUE

I. CALCULATION AND PUBLICATION

The Net Asset Value per each Class of Units in respect of each Sub-Fund shall be determined in the reference currency of that Sub-Fund.

The net asset value is calculated at 2 decimal points.

The Net Asset Value of each Sub-Fund is calculated periodically by the Management Company or by the institution designated by the latter, but under no circumstances less than twice a month, on the basis of the last closing rate available on the Valuation Date (or on the basis of the last closing rate on the Net Asset Value date when the clauses of the Prospectus so provide) on the markets where the securities on portfolio are mainly traded (Valuation Date).

If the Valuation Date of the Net Asset Value is not a full banking day in Luxembourg, the Valuation Date of the Net Asset Value is postponed to the next Business Day.

For each Sub-Fund, the Net Asset Value is equal to the aggregate value of the assets of the Sub-Fund, minus liabilities.

The per-Unit Net Asset Value of each category varies according to payment of dividends to the Distribution Units.

Payment of dividends generates an increase in the ratio between the value of the Capitalisation Units and the value of the Distribution Units. This ratio is referred to as “parity”. Parity is obtained by dividing, on the ex-coupon day, the Net Asset Value of the Capitalisation Unit by the Net Asset Value of the ex-coupon Distribution Unit.

For each Sub-Fund, the Net Asset Value of the Capitalisation Unit is equal to the Net Asset Value of the Distribution Unit multiplied by the “parity” relating to this Sub-Fund.

The Net Asset Value of the Distribution Unit is obtained applying the following formula:

$$\frac{\text{Total net assets of the Sub-Fund}}{\text{Number of Distribution Units + (number of Capitalisation Units x parity)}}$$

The calculation method illustrated above applies to each Sub-Fund.

If, since the time of determination of the Net Asset Value per each Class of Units on the relevant Valuation Day, there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Management Company, on behalf of the Fund may, in order to safeguard the interests of the Unit Holders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value per each Class of Units is determined on the Valuation Day specified for each Sub-Fund in part B of this Prospectus on the basis of the value of the underlying investments of the relevant Sub-Fund, determined 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 is 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 is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

b) The value of each security and/or financial derivatives and/or money market instrument which is quoted or dealt in on any stock exchange will be based on its last closing price on the stock exchange which is normally the principal market for such security and/or financial derivatives and/or money market instrument known at the end of the day preceding the relevant Valuation Day.

c) The value of each security and/or financial derivative and/or money market instrument dealt in on any other regulated market will be based on its last known closing price which is normally available at the end of the day preceding the relevant Valuation Day.

d) Shares or units in open-ended investment funds shall be valued at their last available calculated Net Asset Value.

e) Swaps are valued at their fair value based on the underlying securities.

f) In the event that any assets are not listed or dealt in on any stock exchange or on any other regulated market, or if, with respect to assets listed or dealt in on any stock exchange, or other regulated market as aforesaid, the price as determined pursuant to sub-paragraph (b) to (e) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

g) All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Management Company.

The net proceeds from the issue of Units in the relevant Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund.

The Management Company shall maintain for each Sub-Fund a separate portfolio of assets. As between Unit Holders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund and each Sub-Fund is treated as a separate legal entity. The assets of a particular Sub-Fund are only applicable to the debts, engagements and obligations of that Sub-Fund.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange ruling in Luxembourg

on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Management Company.

The Management Company, in its discretion, may permit other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets.

The Net Asset Value per each Class of Units and the issue, redemption and conversion prices for the Units in each Sub-Fund may be obtained during business hours at the registered office of the Fund and will be published in such newspapers as determined for each Sub-Fund in part B of this Prospectus.

The Net Asset Value is available at the registered office of the Management Company and of the Depositary Bank.

II. SUSPENSION OF CALCULATION OF NET ASSET VALUE, OF THE ISSUE, REDEMPTION AND CONVERSION OF THE UNITS

Unless otherwise provided in the particulars of each Sub-Fund in part B of this Prospectus, the Management Company, in prior agreement with the Depositary Bank, is authorised to temporarily suspend calculation of the Net Asset Value of the Fund or, where necessary, of one or more Sub-Funds, and the issue, conversion or redemption of the Units of the Fund, or of one or more Sub-Funds, in the following cases:

a) any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation on the investments of the Fund attributable to such Sub-Fund quoted thereon;

b) the existence of any state of affairs which constitutes an emergency in the opinion of the Management Company as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;

c) any period when the Management Company, on behalf of the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Units of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Management Company, be effected at normal rates of exchange;

d) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained;

e) upon the publication of a notice convening a general meeting of Unit Holders for the purpose of resolving the winding-up of the Fund;

f) when a Sub-Fund merges with another Sub-Fund or with another UCITS (or a Sub-Fund of such other UCITS) provided any such suspension is justified by the protection of the Unit Holders; and/or

g) when a Class of Units or a Sub-Fund is a Feeder of another UCITS, if the net asset value calculation of the said Master UCITS or Sub-Fund or class of Units is suspended;

h) where the assets of the Sub-Fund on a given Valuation Day have decreased to an amount considered by the Fund to be the minimum level for such Sub-Fund to be operated in an economically efficient manner.

In exceptional circumstances that may negatively affect the interest of the Unit Holders, the Management Company reserves the right to determine the value of a Unit only after selling the necessary securities, as soon as possible, on behalf of a Sub-Fund. In this case, subscription, redemption and conversion instructions awaiting execution will be dealt with simultaneously according to the net value thus calculated.

The Management Company shall promptly notify its decision to suspend calculation of the Net Asset Value, of the issue, redemption and conversion of the Units to the CSSF and to the supervisory authorities of the other countries in which the Units are sold.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the Unit Holders by way of publication or letter to Unit Holders affected, i.e. those having made an application for subscription, redemption or conversion of Units for which the calculation of the Net Asset Value has been suspended.

In the case in which the Net Asset Value of a Sub-Fund is suspended, the possibility to transfer from one Sub-Fund to another is also suspended.

Any application for subscription, redemption or conversion of Units is irrevocable except in case of suspension of the calculation of the Net Asset Value per Unit in the relevant Sub-Fund, in which case Unit Holders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

Suspension of the calculation of the Net Asset Value of one Sub-Fund does not have any effect on calculation of the Net Asset Value of the other Sub-Funds.

A.4. DISTRIBUTION POLICY

Some Sub-Funds, if so specified in part B of this Prospectus, may issue Units on a distribution basis. Those Units will entitle Unit Holders to receive dividends.

The Management Company reserves the right to propose the payment of a dividend at any time.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below EUR 1,250,000.

Dividends not claimed within five years of their due date will lapse and revert to the Units in the relevant Sub-Fund.

A.5. MANAGEMENT OF THE FUND

I. MANAGEMENT COMPANY

The Fund is managed by Mediobanca Management Company S.A. (the "**Management Company**") established in Luxembourg for an unlimited period of time as a *société anonyme* (public liability company) incorporated under Luxembourg law on 15 May 2008. The registered office of the Management Company is at 2, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg. The articles of association of the Management Company were published in the Official Gazette of Luxembourg (*Recueil Spécial des Sociétés et Associations*) on 13 June 2008. They were registered in the R.C.S. and they were amended for the last time on 29 November 2017 and published in the RESA on 28 December 2017. The Management Company is registered in the R.C.S. under number B 138.740.

The Management Company has a subscribed and paid-up capital of EUR 500,000. The Management Company is a member of the Mediobanca Banking Group and is regulated by the provisions of chapter 15 of the Law and carries out the functions provided in chapter 15 of the Law.

The Management Company has the possibility to delegate any or all of such functions to third parties. The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Registrar and Transfer Agent. The Management Company may delegate the investment management services for some specific Sub-Funds to an Investment Manager and the marketing and distribution functions to distributor(s) as may be appointed. In case an Investment Manager will be appointed for a Sub-Fund, details as to Investment Managers will be disclosed for the Sub-Fund(s) concerned in part B of the Prospectus.

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 Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions.

The remuneration policy sets out principles applicable to the remuneration of the senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

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

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company, Fund and of the Fund's Unit Holders, and includes measures to avoid conflicts of interest.

Variable remuneration is paid by the Management Company on the basis of the assessment of performance which is set in a multi-year framework appropriate to the holding period recommended to the Fund's Unit Holders 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 paid by the Management Company 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 details of the up-to-date remuneration policy including, but not limited to further details and information 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.mediobancamanagementcompany.com/. A hard copy of the remuneration policy or its summary may be obtained from the Management Company free of charge upon request.

The remuneration policy is reviewed at least on annual basis.

II. DISTRIBUTOR(S)

The Management Company may appoint further distributors.

Distribution agreements are concluded for an unlimited period of time from the date of their signature and may be terminated by any party thereto by giving not less than three months' prior written notice. However, the Management Company may terminate these agreements with immediate effect when this is in the best interest of the Unit Holders.

The distributor(s) are authorized to retain a sales charge calculated on the Net Asset Value per Unit of the Sub-Fund on the relevant Valuation Day. However, the distributor(s) may also be paid (as the case may be) a distribution fee by the Management Company out of its own management fee.

The distributor(s) may be involved in the collection of subscription and redemption orders on behalf of the Fund and any of the Sub-Funds and may, in that case, provide a nominee service for investors purchasing Units through the distributor(s). Investors may elect to make use of such nominee service pursuant to which the nominee will hold the Units in its name for and on behalf of the investors who shall be entitled at any time to claim direct title to the Units and who, in order to empower the nominee to vote at any general meeting of Unit Holders, shall provide the nominee with specific or general voting instructions to that effect. Notwithstanding the foregoing, investors may also invest directly in the Fund without using the nominee service.

III. INVESTMENT MANAGER AND INVESTMENT ADVISER(S)

The Management Company may delegate its investment management services to one of more delegated investment manager (the "**Investment Manager**" or the "**Investment Managers**"). The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund(s)

in accordance with its investment objectives, and investment and borrowing restrictions, under the overall responsibility of the Management Company.

The particulars of each Sub-Fund will specify when an Investment Manager has been approved.

The Investment Manager shall be entitled to delegate, with the prior approval of the Management Company and at its own expenses, its functions, discretions, privileges and duties herein or any of them to any person, firm or corporation (the "**Sub-Investment Manager**") whom it may consider appropriate, provided that the Investment Manager shall remain liable hereunder for any loss or omission of such person, firm or corporation as if such act or omission was its own other than in respect of any error of judgment or mistake of law on the part of such person, firm or corporation made or committed in good faith in the performance of the duties delegated to it. Information on the Sub-Investment Manager, if any, will be specified in part B of this Prospectus.

Moreover, the Management Company or the Investment Manager may appoint one or more investment advisers who shall provide advice and recommendations to the Management Company or Investment Manager as to the investment of the portfolios of the Sub-Funds.

IV. DEPOSITARY BANK

The Management Company has appointed BNP Paribas Securities Services, Luxembourg Branch (the "**Depositary Bank**") as depositary of the Fund's assets under the terms of a written agreement dated 18 March 2016 (the "**Depositary Agreement**") between the Management Company acting on behalf of the Fund and the Depositary Bank.

BNP Paribas Securities Services Luxembourg is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 3 rue d'Antin, 75002 Paris, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and is supervised by the CSSF.

The Depositary Bank performs three types of functions, namely (i) the oversight duties (as defined in article 34(1) of the Law), (ii) the monitoring of the cash flows of the Fund (as set out in article 34(2) of the Law) and (iii) the safekeeping of the Fund's assets (as set out in article 34(3) of the Law).

Under its oversight duties, the Depositary Bank is required to:

a) ensure that the sale, issue, repurchase, redemption and cancellation of Units effected on behalf of the Fund are carried out in accordance with the law and the Management Regulations,

b) ensure that the value of Units is calculated in accordance with the law and the Management Regulations,

c) carry out the instructions of the Management Company, unless they conflict with the law or the Management Regulations,

d) ensure that in transactions involving the Fund's assets, any consideration is remitted to the Fund within the usual time limits,

e) ensure that the Fund's revenues are allocated in accordance with the law or its Management Regulations.

The overriding objective of the Depositary Bank is to protect the interests of the Unit Holders of the Fund, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company acting on behalf of the Fund maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary Bank.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Management Company acting on behalf of the Fund, or
- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary Bank is required to ensure that any transaction relating to such business relationships between the Depositary Bank and an entity within the same group as the Depositary Bank is conducted at arm's length and is in the best interests of Unit Holders.

In order to address any situations of conflicts of interest, the Depositary Bank has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
    - Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
    - 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, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Unit Holders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
    - Implementing a deontological policy;
    - Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Fund's interests; or

- Setting-up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary Bank in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary Bank will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Unit Holders are fairly treated.

The Depositary Bank may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary Bank's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary Bank in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary Bank has implemented and maintains an internal organisation whereby such separate commercial and/or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available in the website http://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html.

Such list may be updated from time to time.

Updated information on the Depositary Bank's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary Bank.

Updated information on the Depositary Bank's duties and the conflict of interests that may arise are available to investors upon request.

The Management Company acting on behalf of the Fund may release the Depositary Bank from its duties with ninety (90) days written notice to the Depositary Bank. Likewise, the Depositary Bank may resign from its duties with ninety (90) days written notice to the Management Company acting on behalf of the Fund. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary Bank, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months. BNP Paribas Securities Services,

Luxembourg Branch will also act as principal paying agent. In its capacity as principal paying agent of the Fund, BNP Paribas Securities Services, Luxembourg Branch is responsible for the distribution of income and dividends to the Unit Holders.

BNP Paribas Securities Services, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. More pertinently, entities located in France, Belgium, Spain, Portugal, Poland, USA, Canada, Singapore, Jersey, United Kingdom, Luxembourg, Germany, Ireland and India are involved in the support of internal organisation, banking services, central administration and transfer agency service. Further information on BNP Paribas Securities Services, Luxembourg Branch international operating model may be provided upon request by the Management Company.

V. REGISTRAR AND TRANSFER AGENT

The Management Company has also appointed BNP Paribas Securities Services, Luxembourg Branch as registrar and transfer agent to the Fund (the "**Registrar and Transfer Agent**").

In its capacity as registrar and transfer agent, the Registrar and Transfer Agent is responsible for handling the processing of subscription for Units, dealing with requests of redemption and conversion and accepting transfers of funds, for the safe keeping of the register of Unit Holders of the Fund, for accepting certificates rendered for replacement, redemption or conversion and providing and supervising the mailing of statements, reports, notices and other documents to the Unit Holders.

The rights and obligations of BNP Paribas Securities Services, Luxembourg Branch as registrar and transfer agent are governed by an agreement entered into for an unlimited period of time on 14 December 2015. Each of the parties may terminate the agreement by way of ninety (90) days' prior written notice.

VI. ADMINISTRATIVE AGENT

The Management Company has further appointed BNP Paribas Securities Services, Luxembourg Branch as administrative agent to the Fund (the "**Administrative Agent**").

In its capacity as administrative agent, it will be responsible for all administrative duties required by Luxembourg law, and in particular for the book-keeping and calculation of the Net Asset Value of the Units as required by Luxembourg law.

The rights and obligations of BNP Paribas Securities Services, Luxembourg Branch as Administrative Agent are governed by an agreement entered into for an unlimited period of time on 14 December 2015. Each of the parties may terminate the agreement by way of ninety (90) days' prior written notice.

A.6. CHARGES AND EXPENSES

I. GENERAL

The Management Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but are not limited to formation expenses, fees payable to the Management Company including the investment management fee and risk management fee, fees and expenses payable to the auditor and accountants, Depositary Bank and its correspondents, Administrative Agent and Registrar and Transfer Agent, distributor(s), any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the board of directors of the Management Company and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Unit Holders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount for yearly or other periods.

In the case where any liability of the Management Company cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds on a *pro rata* basis to their Net Asset Values or in such other manner as determined by the Management Company acting in good faith, provided that all liabilities, whatever Sub-Fund they are attributable to, shall, unless otherwise agreed upon with the creditors, be binding upon the Fund as a whole.

Charges relating to the setting-up of the Fund and the creation of a new Sub-Fund shall be borne by all the existing Sub-Funds on a *pro rata* basis to their net assets. Hence, the new created Sub-Funds shall have to bear on a *pro rata* basis of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Units, which have not already been written off at the time of the creation of the new Sub-Funds.

All charges relating to the creation of a new Sub-Fund after the Fund's incorporation expenses have been written off, shall be fully amortized upon their occurrence and shall be borne by all the existing Sub-Funds on a *pro rata* basis to their net assets.

In case of a dissolution of a Sub-Fund all charges relating to the incorporation of the Fund and the creation of new Sub-Funds which have not already been written off shall be borne by all the remaining Sub-Funds.

II. FEES OF THE MANAGEMENT COMPANY

The Management Company is entitled to receive a management fee of a maximum of 0.10% per annum, calculated on the average quarterly Net Asset Value of the Fund for its activity as management company. However, such general management fee does not cover the remuneration for the

investment management function performed either directly by the Management Company or Investment Manager.

In addition, in compensation for the investment management function, the Management Company is entitled to an investment management fee. The investment management fee is payable quarterly and calculated on the average of the Net Asset Value of the relevant Sub-Fund for the relevant quarter, unless otherwise determined in part B of this Prospectus. The amount of the investment management fee is set out individually for each Sub-Fund in part B of this Prospectus.

Moreover, for its risk management activities, the Management Company is entitled to receive from the Fund a fee of 0.025% per annum, payable quarterly and calculated on the average quarterly Net Asset Value of the Fund.

III. FEES OF THE INVESTMENT MANAGER

Where an Investment Manager has been appointed as specified in the particulars of the relevant Sub-Funds, the Management Company will pay the Investment Manager an investment management fee for its investment activity unless otherwise determined in part B of this Prospectus.

IV. DUPLICATION OF COMMISSIONS AND FEES

Where a Sub-Fund invests in other UCIs, investors must be aware that the applicable investment management commissions may be in addition to commissions paid by UCIs to their sub-managers, resulting in double payment of such commissions.

The management fees of other UCIs in which the Sub-Funds are authorized to invest more than 10% of their net assets may be no more than 1% (excluding taxes).

Investors are also made aware that the Sub-Funds may invest, in accordance with the terms of the present Prospectus, in collective investment schemes that are managed, directly or by delegation, by the same management company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding; in this case the Management Company or the other company may not charge subscription, conversion or redemption fees on the account of the Sub-Funds investment in the collective investment schemes.

V. FEES OF THE DEPOSITARY BANK, ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT

The Depositary Bank, Administrative Agent, Registrar and Transfer Agent are entitled to receive out of the assets of each Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears. In addition, the Depositary Bank and Administrative Agent, Registrar and Transfer Agent are entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

As remuneration for services rendered to the Fund in its respective capacities, the Depositary Bank will receive from the Fund, in accordance with market practice in Luxembourg and unless otherwise

determined in part B of this Prospectus, a fee of a maximum of 0.75% per annum and calculated on the average quarterly Net Asset Value of the Fund.

A fee of a maximum of 0.80% per annum and calculated on the average quarterly Net Asset Value of the Fund will be charged to the Fund for central administration provided to the Fund.

VI. SOFT COMMISSIONS

The Management Company, or its delegates may effect transactions on behalf of the Fund with, or through the agency of a person who provides services under a soft commission agreement under which that person will, from time to time, provide to, or procure for the Management Company, or its delegates, and/or their respective associates goods, services, or other benefits such as research, and advisory services, specialised computer hardware or software provided that:

a) such transactions are effected on a best execution basis, disregarding any benefit which might ensure directly, or indirectly to the Management Company, or its delegates, or their respective associates, or the Fund from the services or benefits provided under such soft commission agreement;

b) the services, and/or benefits provided are of a type which: (a) assist the Management Company or its delegates in the provision of investment services to the Fund; (b) enhance the quality of the investment services to be provided to the Fund hereunder; and (c) do not impair the ability of the Management Company or its delegates to act in the best interests of the Fund; and

c) the Management Company or its delegates shall provide the Fund on request with such information with respect to soft commissions as the Fund may reasonably require to enable inclusion of a report in the Fund's annual reports describing the Management Company's and its delegates soft commission practices.

A.7. TAXATION

The following summary is based on the laws and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

I. TAXATION OF THE FUND IN THE GRAND DUCHY OF LUXEMBOURG

a) Income and net wealth taxes

The Fund which has no legal personality is fiscally transparent and is not liable to any income and net wealth taxes in the Grand Duchy of Luxembourg on profits or income.

b) Subscription Tax

The Fund is, however, liable in the Grand Duchy of Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05 % *per annum* of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter.

However, in respect of the Classes of Sub-Fund which are only held by institutional investors the Fund is liable to the above mentioned subscription tax at a rate of 0.01% *per annum* of the Net Asset Value of such Sub-Fund, as defined by guidelines or recommendations issued by Luxembourg supervisory authorities.

It is to be noted that no such subscription tax is levied on the portion of the net assets of the Sub-Funds that is invested in the shares or units of other UCI governed by the laws of the Grand Duchy of Luxembourg that have already been subject to the subscription tax.

c) **Withholding tax**

Under current Luxembourg tax law, there is no withholding tax on distributions, liquidation proceeds and redemption payments made by the Fund to the Unit Holders. Indeed, the Fund is in general deemed to be transparent from a Luxembourg tax perspective and distributions are performed for corporate reasons only but are disregarded from a tax perspective, as any income and loss derived at the level of the Fund is directly attributable to the Unit Holders.

The Fund may be however subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable and the Fund itself would not be able to benefit from Luxembourg's double tax treaties network.

d) **Value Added Tax**

In Luxembourg, regulated investment funds such as the Fund have the status of taxable persons for value added tax ("**VAT**") purposes. Accordingly, the Fund and the Management Company are considered in Luxembourg as a single taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund and/or Management Company could potentially trigger VAT and require the VAT registration of the Management Company in Luxembourg. As a result of such VAT registration, the Fund / the Management Company will be in a position to fulfil their duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments made by the Fund to its Unit Holders to the extent that such payments are linked to their subscription to the Units and do, therefore, not constitute the consideration received for taxable services supplied.

e) **Other taxes**

No stamp duty or other tax is generally payable in the Grand Duchy of Luxembourg on the issue of Units by the Fund against cash.

The Management Company is however subject to a fixed registration duty of EUR 75 in the Grand Duchy of Luxembourg upon incorporation and any subsequent amendment to its articles of association.

II. TAXATION OF UNIT HOLDERS IN THE GRAND DUCHY OF LUXEMBOURG

a) **General considerations**

It is expected that Unit Holders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each Unit Holder of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Units in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Unit Holder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

For Luxembourg income and net wealth taxes purposes, due to the general tax transparency of the Fund, the Unit Holders will be considered as holding a direct investment in the assets held by the Fund.

Under the current laws, Unit Holders are generally not subject to any capital gains, income or withholding tax in the Grand Duchy of Luxembourg in relation to the Units of the Fund (except for those resident or having a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg to which or to whom the Units are attributable).

b) **Tax residency**

An Unit Holder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of holding and/or disposing of the Units or the execution, performance and/or enforcement thereof.

A.8. CRS

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless otherwise provided herein.

Under the terms of the CRS Law, the Fund is likely to be treated as Luxembourg Reporting Financial Institution. As such, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Unit Holders as per the CRS Law (the "**Reportable Persons**") and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annexe I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Unit Holder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Unit Holders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

The Unit Holders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, and as further described under the data protection section of this Prospectus, the Fund is responsible for the processing of personal data and each Unit Holder has notably a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

The Unit Holders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Unit Holders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Unit Holders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Units held by the Unit Holders may suffer material losses.

Any Unit Holder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Unit Holder's failure to provide the

Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities and the Fund may, in its sole discretion, redeem the Units of such Unit Holders.

Unit Holders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

A.9. FATCA

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless otherwise provided herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model I Intergovernmental Agreement ("**IGA**") implemented by the FATCA Law, which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (administration des contributions directes).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its Unit Holders. On the request of the Fund, each Unit Holder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Unit Holder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its Unit Holders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Unit Holders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, and as further described under the data protection section of this Prospectus, the Fund is responsible for the processing of personal data and each Unit Holder has notably a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Units held by the Unit Holders may suffer material losses. The failure for the Fund to obtain such information from each Unit Holder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any Unit Holder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such Unit Holder's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such Unit Holders.

In addition the Management Company hereby confirms that it may become a participating Foreign Financial Institution ("**FFI**") as laid down in the FATCA rules and that it may register and certify compliance with FATCA with obtaining a GIIN ("**Global Intermediary Identification Number**"). From this point, the Fund will furthermore only deal with professional financial intermediaries duly registered with a GIIN.

Unit Holders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Unit Holders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

The foregoing provisions are based on the laws and practices currently in force, and are subject to change. Potential Unit Holders are advised to seek information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment. The attention of Unit Holders is also drawn to certain tax provisions specific to individual countries in which the Fund publicly markets its Units.

A.10. DISSOLUTION LIQUIDATION AND MERGER

I. DISSOLUTION AND LIQUIDATION OF THE FUND OR THE SUB-FUNDS

Unless otherwise provided in the particulars of each Sub-Fund, the following provisions apply to the dissolution and merger of Sub-Funds.

The Fund and each Sub-Fund or category of Units have been created without limitation as to time or amount.

Liquidation and allotment of the Fund or of a Sub-Fund may not be requested by a Unit Holder or by his/her heirs or nominees.

The Management Company, with the prior agreement of the Depositary Bank, may decide to wind up the Fund in compliance with applicable law.

The Fund must be wound up in the cases established by applicable law and if the assets of the Fund have been less than EUR 1,250,000 for more than 6 months.

In case of winding up, the decision must be published in the RESA and in at least two newspapers having suitable circulation, of which at least one is a Luxembourg newspaper.

The Management Company, as liquidator, liquidates the assets of the Fund, protecting the interests of the Unit Holders in the best possible way and instructs the Depositary Bank to allot the sums arising from the liquidation, after deducting liquidation costs, amongst the Unit Holders. This allotment is made for each Sub-Fund, proportionally to the participation of the Unit Holders in each Sub-Fund. The liquidation decision will be published as indicated in this section of this Prospectus and will indicate the reasons and method of liquidation. Amounts owing to Units not claimed by Unit Holders at the end of the liquidation process are deposited with the *Caisse de Consignation* in Luxembourg. Except in the case of claims submitted prior to the expiry of the period of prescription (30 years), the amounts deposited as above can no longer be withdrawn.

Starting from the time of occurrence of the event resulting in the liquidation of the Fund, the issue of Units is forbidden under penalty of cancellation. The Units can still be redeemed provided that the Unit Holders can be treated equally.

The different Sub-Funds and/or category or sub-category are in principle established for an unspecified period. The Management Company of the Fund may decide to liquidate a Sub-Fund if its net assets are less than EUR 5,000,000 or if such liquidation is justified by a change in the economic and political situation affecting that Sub-Fund. The liquidation decision will be published as indicated in this Prospectus and will indicate the reasons and method of liquidation. As soon as the decision to liquidate a Sub-Fund has been taken, the issue of Units of such Sub-Fund will no longer be authorised. Assets not distributed to those entitled on the date of closing of the liquidation process of the Sub-Fund will be deposited with the *Caisse de Consignation*.

Starting from the time of occurrence of the event resulting in the liquidation of the Sub-Fund or category and/or sub-category, the issue of units is forbidden under penalty of cancellation. The Units can still be redeemed provided that the Unit Holders can be treated equally.

II. MERGER OF A SUB-FUND OR A CATEGORY AND/OR A SUB-CATEGORY OF UNITS WITH ANOTHER

The Management Company may decide to merge a Sub-Fund or a unit category and/or sub-category with another. The Management Company of the Fund may opt for such a merger if the net assets of this Sub-Fund fall below EUR 1,250,000 or if it thinks that such a move is necessary in the interest of the Unit Holders. Such decision will be published (as provided in the case of liquidation of a Sub-Fund) and such publication will contain information regarding the new Sub-Fund. The merger decision of Sub-Funds shall be published and be sent to all registered Unit Holders of the Sub-Fund before the effective date of the merger in accordance with the provisions of applicable laws and regulations including CSSF Regulation 10-05. The publication in question shall indicate, in addition, the characteristics of the new Sub-Fund, the new category or Class of Units. Every Unit Holder of the relevant Sub-Funds has the opportunity of requesting the redemption or the conversion of his own

Units without any cost (other than the cost of disinvestment) during a period of at least thirty (30) calendar days before the effective date of the merger, it being understood that the effective date of the merger takes place five (5) Business Days after the expiry of such notice period.

In the same circumstances as described in the previous paragraph and in the interest of the Unit Holders, the transfer or merger of assets and liabilities attributable to a Sub-Fund, category or Class of Units to another UCITS or to another sub-fund, category or class of shares within such other UCITS (whether established in Luxembourg or another member state of the EU and whether such UCITS is incorporated as a company or is a contractual type fund), may be decided by the Management Company, in accordance with the provisions of the Law. The Management Company shall send a notice to the Unit Holders of the relevant Sub-Fund in accordance with the provisions of CSSF Regulation 10-05. Every Unit Holder of the Sub-Fund, category or Class of Units concerned shall have the possibility to request the redemption or the conversion of its Units without any cost (other than the cost of disinvestment) during a period of at least thirty (30) calendar days before the effective date of the merger, it being understood that the effective date of the merger takes place five (5) Business Days after the expiry of such notice period.

III. MERGER OF THE FUND OR A SUB-FUND OR A CATEGORY AND/OR A SUB-CATEGORY OF UNITS WITH ANOTHER STRUCTURE

If the net assets of the Fund or the Sub-Fund were to fall below EUR 5,000,000, or if the Management Company thinks this is necessary in the interests of the Unit Holders, it may decide to merge (i) a Sub-Fund with a sub-fund of another undertaking for collective investment in transferable securities (whether subject to Luxembourg law or not) or (ii) the Fund with another undertaking for collective investment in transferable securities (whether subject to Luxembourg law or not) in accordance with the provisions set out in the Law.

Subject to the redemption procedures described under “Redemption of Units” in this Prospectus, Unit Holders in the Fund or Sub-Fund in question are entitled to request the redemption, free of charge, of all or part of their Units at the applicable Net Asset Value per Unit during a period no shorter than one month prior to the entry into force of the circular relating to the merger, and up to the last Calculation Date of the Net Asset Value.

Unit Holders who have not requested the redemption of their Units after this one-month period will be bound by the decision.

The implementation of the merger conditions must be approved by the Fund’s Auditor.

A.11. FISCAL YEAR

The fiscal year will begin on 1 July and terminate on 30 June of each year, except for the first fiscal year which began on 8 January 2016 and ended on 30 June 2016.

Audited annual reports of the end of each fiscal year will be established as at 30 June of each year, and, for the first time as at 30 June 2016. In addition, unaudited semi-annual reports will be established as per the last day of the month of December and for the first time as at 31 December 2016.

The financial statements of each Sub-Fund will be established in the reference currency of the Sub-Fund but the consolidated accounts will be in EUR.

Audited annual reports will be published within four (4) months following the end of the accounting year and unaudited semi-annual reports will be published within two (2) months following the end of period to which they refer.

A.12. FILING OF DOCUMENTS

The following documents are filed at the registered office of the Management Company where they may be consulted:

1. Prospectus and Key Investor information documents ("**KIIDs**")
2. Articles of association of the Management Company
3. Management Regulations of the Fund
4. Any amendments made to these documents
5. The most recent annual and half-year reports of the Fund
6. Agreements with the Depositary Bank, Administrative Agent and Registrar and Transfer Agent, distributors and Investment Managers, if any.

A copy of the documents indicated in points 1, 2, 3, 4, 5 and 6 above may be obtained from the registered office of the Management Company.

All future amendments to the Management Regulations will enter into force on their day of deposit with the R.C.S.

PART B: SPECIFIC INFORMATION

I. PALLADIUM FCP: RAM Mediobanca Strata UCITS Credit Fund

The Sub-Fund can use financial derivative instruments ("FDI") for investment purposes or to obtain leverage which may increase the volatility of the Sub-Fund, an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and is reserved for sophisticated investors. A sophisticated investor for the purposes of this Sub-Fund is an investor who understands the credit markets and the risks associated with investing in the credit markets as well as the broad range of instruments within the portfolio including FDI and the use of leverage.

As the price of Units in each Sub-Fund may fluctuate, the Sub-Fund shall not be a suitable investment for an investor who cannot sustain a loss on their investment. A typical investor has an investment horizon of 2 to 3 years or more. Investors may also refer to the KIID for the most up-to-date SRRI measurement.

1. Name

The name of the Sub-Fund is "RAM Mediobanca Strata UCITS Credit Fund" (the "**Sub-Fund**").

2. Investment Objective

The investment objective of the Sub-Fund is to produce positive returns from a portfolio of credit positions (the "**Portfolio**") generated from a combination of interest received and trading gains. The owner of a credit asset is paid a return in the form of a regular coupon or premium for taking the credit risk associated with holding that asset. The price of credit securities will fluctuate depending on the market's perception of credit quality. The Investment Manager will manage the Portfolio with the intention to maximise returns over time from income received and trading gains.

Investors should be aware that their capital is at risk and that there is no guarantee that the investment objective will be achieved over any time period.

3. Investment Policy

In order to pursue the investment objective of the Sub-Fund, the Investment Manager will allocate capital across a number of asset classes, subject to the Investment Restrictions (as defined below), to gain exposure to a portfolio of predominantly developed market credit positions, with a primary focus on European exposures. Each asset class within the overall Portfolio will be managed by dedicated portfolio management and research teams within the Investment Manager (each an "**Asset Class**"). The initial Asset Classes of the Sub-Fund are Financials, Corporates, ABS and Structured Credit and are described in further detail in the section titled "Investment Strategy" below.

The Sub-Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Sub-Fund, subject to the investment restrictions and guidelines set

out in this Prospectus. The Sub-Fund is using EURIBOR and LIBOR benchmarks for the purpose of calculating the performance fee as further described in the sections titled "Performance Fees" and "Class High Water Mark" below.

Credit Instruments

The Portfolio may include a wide variety of credit instruments, listed or traded on a regulated market or exchange traded and/or over-the-counter ("**OTC**") trades, which may be fixed or floating rate, and denominated in EUR, GBP, USD, AUD or JPY and may include:

i. bonds;
ii. notes (including credit linked notes);
iii. convertible bonds and/or hybrid capital instruments, such as contingent convertible capital instruments ("**CoCos**") that absorb losses in certain adverse circumstances (such as when the capital of the issuer falls below a certain level) or non-cumulative preferred stock;
iv. structured credit instruments, including exposure to (a) collateralized loan obligations ("**CLOs**"), (b) other collateralized debt obligations ("**CDOs**"), (c) asset backed securities ("**ABS**") including consumer ABS and (d) mortgage backed securities ("**MBS**") including, but not limited to, residential mortgage backed securities ("**RMBS**") and commercial mortgage backed securities ("**CMBS**");
v. indices as detailed in the "Indices" section below;
vi. credit exchange traded funds ("**ETFs**"); and
vii. FDIs in the form of options, interest rate swaps, single name or index credit default swaps ("**CDS**"), total return swaps ("**TRS**") and forwards.

The credit instruments listed at (ii), (iii), (iv) and (vi) above may embed FDI and/or structural leverage in accordance with article 42 (3) of the Law. In such cases, the impact will be included in any risk management calculations. The Investment Manager will aim to hedge any foreign exchange or interest rate exposure resulting from such credit instruments through investment in the FDIs listed at (vii) above. Although unlikely, ETFs may be leveraged and invest in FDIs. Exposures, achieved directly through the credit instruments set out above or indirectly through CDS or TRS, may be taken at every level of the capital structure.

The Sub-Fund will not purchase any distressed positions, for example, loans to or notes issued by companies that are in significant financial distress or being restructured.

Geographic Exposure

While the Portfolio will predominantly be comprised of developed market credit positions, the Sub-Fund may invest up to 10% of the Net Asset Value of the Sub-Fund in credit instruments or gain exposure to issuers in developing and near-developed markets in Southern and Eastern Europe (i.e. Bulgaria, Czech Republic, Estonia, Greece, Croatia, Latvia, Hungary, Romania, Poland, Slovenia and Slovak Republic). There will be no investments in emerging markets.

The Investment Manager will manage the Portfolio with the intention of diversifying industrial, geographic, sectoral and rating exposures and in accordance with internal risk and exposure limits, subject always to the requirements of any applicable laws, in particular the Law.

Portfolio Positioning – Long/Short

The Investment Manager may enter into long and short positions for the Sub-Fund. However, the Portfolio will be predominantly long. Hedging transactions may be used to reduce general market exposure and the impact on the Portfolio in the event of a significant credit spread widening. The Investment Manager generally takes long positions in instruments that it has identified as undervalued or providing an attractive return for the risk. Long positions may be achieved by investing directly in the relevant instruments or indirectly, through investment in FDI. The Investment Manager generally takes short positions in instruments that the Investment Manager has identified as overvalued or where being used as a hedge. Short positions may only be achieved synthetically through investment in CDS, TRS and options. See section titled "Investment Strategy" below for a further description of the investment strategy of the Sub-Fund, and in particular, paragraph two of the "Investment Process" section below which illustrates how the Investment Manager determines an asset is overvalued or undervalued.

Unlisted Securities

In accordance with article 41 (2) a) of the Law, the Sub-Fund may also invest up to 10% of its Net Asset Value, in securities that are unlisted which constitute money market instruments.

Ancillary Liquid Assets and Cash Management

The Sub-Fund may also hold ancillary liquid assets in accordance with the limits subscribed under Applicable law. The Investment Manager may also engage in additional cash management strategies pending investment or, if considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents and money market instruments (including, but not limited to, U.S. treasury bills, investment grade corporate bonds, cash deposits, commercial paper, short term money market deposits and certificates of deposit), sub-sovereign bonds (municipal bonds) which must be rated, may be fixed rate or floating rate and will be issued or guaranteed by member states of the EEA and its local authorities or the U.S. government, and supranational bonds issued by public international bodies (of which one or more of the EEA member states are members), ETFs or other collective investment schemes. Any investment in collective investment schemes/ETFs shall not exceed in aggregate 10% of the Net Asset Value of the Sub-Fund. The Sub-Fund will only invest in non-UCITS collective investment schemes that satisfy the conditions imposed by Applicable Laws, in particular article 41(1)(e) of the Law.

4. Investment Strategy

The Investment Manager will dynamically allocate capital to the Asset Classes depending on its views of the relative attraction of opportunities, risks and returns available, subject to the Investment Restrictions. The Investment Manager will seek to ensure diversity and balance in the overall Portfolio of the Sub-Fund and may allocate capital to a hedging strategy to reduce general market exposure and the impact on the Sub-Fund in the event of a significant credit spread widening (the "**Hedging**

Strategy"). The "credit spread" refers to the additional return paid by a borrower in excess of the theoretical risk-free rate of return (e.g. the return pursuant to German Bunds or US Treasury Bills) in that currency. The widening of a specific credit spread would be as a result of increased concern over that borrower being able to service its debts so the return demanded by investors for the risk increases. The widening of general credit spreads would indicate increased concern about the overall economy (systemic risk). A widening would be considered significant if credit spreads widened by 20% or more in a period of a few weeks.

Financials Asset Class

The Investment Manager believes that developed market financial credit continues to represent one of the most compelling opportunities in European credit given pressures on any bank or insurance company or a group predominantly carrying out the business of banking or insurance or any subsidiary thereof (the "**Financial Issuers**") to reduce balance sheet risk and improve the level of capital held by the Financial Issuer as a result of regulations, such as Directive 2009/138/EC (the "**Solvency II Directive**") or Directive 2013/36/EU ("**CRD IV**"). In this environment, bondholders' interests are aligned with the interests of regulators and yields translate into a high degree of confidence around medium and long term returns within this strategy. The dispersion of Financial Issuers and instruments, and new market entrants, should create a wide range of opportunities.

The Financials Asset Class will take exposure to Financial Issuers in developed markets, though is expected to comprise exposure to predominantly European Financial Issuers. Exposures may be taken through the credit instruments described in the "Investment Policy" section above. The Financials Asset Class will be predominantly long although short positions are permissible.

Corporates Asset Class

The Investment Manager believes that there are opportunities available within the diverse non-financial corporate credit universe (i.e., corporates other than Financial Issuers). These opportunities arise from event driven situations (for example, exploitation of pricing inefficiencies that may occur before or after a corporate event) and/or from technical factors such as trading activity, price movements, issuance volumes, supply and demand dynamics and maturing debt capital markets in Europe. Accommodative central bank policy, a prolonged low interest rate and low growth environment are likely to translate in low default rates for some time, especially in Europe, making credit spreads from corporate bonds relatively attractive.

The Corporates Asset Class will take exposure to corporate issuers in developed markets, though is expected to comprise exposure to predominantly European corporate issuers. Exposures may be taken through credit instruments, which are described in the "Investment Policy" section above. The Corporates Asset Class will be predominantly long although short positions are permissible.

ABS Asset Class

ABS typically comprise a lower volatility asset class relative to certain asset classes mentioned herein (prices of ABS tend to move more slowly and in a smaller range than corporate or financial bonds) that can provide stable returns, with structural features built in that help protect the investor against a downturn in the performance of the assets underlying the ABS.

The underlying assets of an ABS may consist of mortgages on residential or commercial property, leases, consumer assets (i.e. loans, auto loans and credit card receivables) or other non-physical receivables, where the cash flow on the issued securities are dependent on the payment of such receivables, and may be revolving for a period and so may not be explicitly defined at the inception of the deal. Given the wide universe of assets in the ABS space, opportunities to invest in, or take exposure to, a wide variety of strategies across countries, asset classes or different levels of the capital structure are available.

The ABS Asset Class will take exposure to developed market ABS. The ABS Asset Class will be managed as a long-only portfolio utilising senior, mezzanine and/or junior securities. It is expected that the Sub-Fund will invest in a majority of mezzanine and senior securities and only to a minor extent in junior securities however, the Sub-Fund will not invest in equity tranches of securities of which the underlying portfolio is predominantly made up of non-conforming mortgages. The ABS Asset Class is expected to comprise exposure to predominantly European ABS issuers and/or underlying assets. For the avoidance of doubt, issuers incorporated outside of the European Union, but which have more than 60% of their underlying assets based in or exposed to Europe, will be classified by the Investment Manager as European.

Structured Credit Asset Class

The Structured Credit Asset Class will take exposure to developed market structured credit instruments, subject to conditions and limitations imposed by Applicable Laws, including, but not limited to, junior debt and 'equity' (subordinated) positions in CLO and other ABS, standardised CDS index tranches, credit ETFs and options thereon, TRS on Bond Indices, options on Indices, and exposure to assets or portfolios of assets through CDS. The Structured Credit Asset Class is expected to be predominantly long but short positions are permissible. The Asset Class is expected to comprise predominantly European exposures.

Hedging Strategy

The Hedging Strategy is intended to provide offsetting protection to the remainder of the Portfolio through the use of hedges and potentially reduce the impact on the Portfolio in the event of a significant credit spread widening. Hedging positions may be long or short and may take the form of cash, CDS, TRS on Bond Indices, ETFs and options thereon and options on CDS Indices and Equity Indices subject to the conditions set forth in Applicable Laws. Options on Equity Indices shall be limited to those where the maximum downside is known and included in the VaR calculation such as bought equity put options.

At no time will the Sub-Fund be short on an aggregate basis with reference to the CS10.

ESG Strategy

The Investment Manager has a firm-wide environmental, social and governance ("**ESG**") policy in place. Its ESG approach is based on a combination of: (a) a negative screening/top-down approach using broad criteria to remove certain companies with specific business activities and (b) a bottom-up fundamental approach to assess an investment against Asset Class specific ESG criteria.

The Investment Manager actively seeks to avoid investing in companies (or their affiliates, holding companies or financing subsidiaries) directly involved in the production or sale of cluster weapons, anti-personnel landmines, nuclear weapons or chemical and biological weapons. It also does not intend to invest in businesses involved in the research and development, production and distribution of cannabis for recreational uses.

The Investment Manager's ESG integration approach involves credit analysts systematically integrating Sustainability Factors into the investment analysis and engaging with companies when information on material ESG metrics has not been provided and/or is unavailable.

Through the Investment Manager's internal research process, analysts seek to understand how companies perform on key ESG issues and how companies manage them (and if data is available, how this compares versus peers and how this may have changed over time). ESG issues are taken into account when they are considered to be material or directly relevant to the company in question.

5. Investment Process

Asset Class Allocation Process

The Investment Manager's multi asset credit ("**MAC**") allocation committee (the "**Allocation Committee**") approves allocations to the Asset Classes. The Allocation Committee is made up of the Investment Manager's MAC Portfolio Manager, Senior Fixed Income Fund Managers, Chief Risk Officer and Fixed Income Analyst. Allocation decisions are typically taken at bi-weekly MAC meetings but may also be made on an *ad hoc* basis outside of the scheduled bi-weekly meetings. Allocation meetings are attended by, amongst others, the Allocation Committee, portfolio managers, strategists and a member of the Middle Office team. This meeting focuses on capital allocations and risk.

The allocation process includes an analysis of a number of inputs, namely (i) macro events and risks (such as political risks, unemployment rates, gross domestic product (GDP) levels, price indexes, monetary policy variables, interest rates, exchange rates, central bank actions), (ii) market index analysis, and (iii) expected return and risk analysis (such as scenario projections, sensitivity to performance variables, and an assessment of liquidity risks and the effectiveness of hedging). Meetings conclude with a review of strategy allocations and any potential changes to them.

Investment Process

For investments within each Asset Class, which are managed by dedicated portfolio management and research teams, the Investment Manager has a three stage investment process involving: (i) research and idea generation, (ii) trading and execution, and (iii) portfolio and risk management.

The research and idea generation stage uses a filtering process. Firstly, a macro view, as discussed above in the second paragraph of "Asset Class Allocation Process" section, is taken on larger economic factors impacting credit markets and the financial sector specifically including an assessment of likely geographic and regional performance. Secondly, granular credit research, which includes an analysis of the financial position of an issuer, is completed on all the issuers within the selected universe to identify the relative credit strength of the issuer. Such analysis takes into account factors such as, amongst others, the rating of the company, the net debt of the company, earning of the company before interest, taxes, depreciation and amortisation for various periods ("**EBITDA**"), EBITDA interest

coverage, and net debt on EBITDA. However, the considerations differ with industry. Thirdly, fundamental security analysis is conducted into the capital structure of the issuer as well as a detailed review of the specifics of each security to understand its ranking in the capital structure, call and conversion rights, deferral rights regarding interest and the degree to which local regulators are able to intervene. This process allows the Investment Manager the flexibility to select assets where the risk of default, deferral or conversion is remote or mispriced or where the probability of call, redemption or tender is mispriced and to identify the most favourable instrument within that issuer's capital structure. Identification of such mispricing (i.e., assets that are undervalued or overvalued) informs the Investment Manager's decision to invest on a long or short basis.

6. Investment Restrictions

The Sub-Fund adheres to the restrictions and requirements set out under the Applicable Laws, as may be amended from time to time and the specific investment limits set out below (the "**Investment Restrictions**").

The following investment restrictions, which will apply at the time of purchase of investments, will apply to the Sub-Fund. In the event that any of these restrictions are exceeded for reasons beyond the control of the Investment Manager or as a result of the exercise of subscription or redemption rights, the Investment Manager will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Unit Holders. In this regard, the Investment Manager will manage the Sub-Fund on a "maintain or improve" basis such that any investments bought or sold do not make the breach any worse, while taking due account of the interests of Unit Holders.

Asset Class Exposure Limits (% of Net Asset Value)

Asset Class	Minimum Exposure	Maximum Exposure
Financials	0%	80%
Corporates	0%	70%
ABS	0%	50%
Structured Credit	0%	50%

These exposure limits refer to the total percentage permitted in proportion to the total asset allocation within the Portfolio. These limits should not be read as fixed target investments thresholds. Not all Asset Classes may be included in the Portfolio at any given time subject always to the limits set out above. The Investment Manager may increase or reduce capital allocation to any particular Asset Class at any time at its discretion whether temporarily or otherwise subject always to the maximum limits set out above.

Credit Rating Limit

The Sub-Fund will not invest in instruments that have a credit rating of CCC or below. Investments in unrated instruments shall be limited to up to 20% of the Sub-Fund's Net Asset Value.

For the purpose of this limit, the rating applied will depend upon the ratings available for that asset from Moody's, Fitch and/or Standard&Poor's. If three ratings are available then the median rating should be used. If two ratings are available then the lower rating should be used. If only one rating is available then that rating should be used. In the absence of a rating from each of Moody's, Fitch and S&P, the Investment Manager may apply a rating for that asset from DBRS and/or Kroll Bond Rating Agency on the same basis as above.

CoCos

The Sub-Fund's total exposure to CoCos shall not exceed 25% of the Sub-Fund's Net Asset Value.

CLOs and CDOs

The Sub-Fund's total exposure to CLOs and CDOs shall not exceed 50% of the Sub-Fund's Net Asset Value and the Sub-Fund's total exposure to CLO equity tranches shall not exceed 10% of the Sub-Fund's Net Asset Value.

Leverage Limits

The expected level of leverage of the Sub-Fund calculated using the "sum-of-notionals" of all FDIs used methodology usually will not exceed 600% of the Net Asset Value of the Sub-Fund.

The level of leverage will vary depending on the positioning of the Sub-Fund and may, under certain circumstances, for example, during abnormal market conditions and at times when there is low volatility exceed the aforementioned levels depending on the types and maturity of the instruments used. Interest rate derivatives can create a high leverage based on the "sum-of-notionals" methodology, particularly where shorter duration instruments are used for duration management.

The "sum-of-notionals" methodology does not allow for offsets of hedging transactions and other risk mitigation strategies involving financial derivatives, such as currency hedging, duration management and macro hedging. Consequently, the reported level of leverage may exceed, at times considerably, the economic leverage assumed by the Sub-Fund.

Global exposure using the commitment approach will not exceed 400% of the Net Asset Value of the Sub-Fund.

7. Use of Derivatives and Efficient Portfolio Management Techniques *FDI*

The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency risks of transferable securities held by the Sub-Fund by reducing exposure to the currency of a transferable security and/or taking exposure to a currency other than the base currency of the transferable security.

Efficient portfolio management techniques

The Sub-Fund is permitted to and uses securities financing transactions in the form of securities lending, repurchase and reverse repurchase transactions and TRS for taking risk, hedging purposes and/or to obtain leverage (as further described below) in an efficient manner.

The use of such financial instruments will affect the Sub-Fund's overall risk profile as they enable the Sub-Fund to use leverage.

A maximum of 100% of the Sub-Fund's Net Asset Value can be subject to securities lending. It is expected that 50% of the Sub-Fund's Net Asset Value will be subject to securities lending.

A maximum of 100% of the Sub-Fund's Net Asset Value can be subject to repurchase and reverse repurchase transactions. It is expected that 50% of the Sub-Fund's Net Asset Value will be subject to repurchase and reverse repurchase transactions.

A maximum of 100% of the Sub-Fund's Net Asset Value can be subject to TRS. It is expected that 10% of the Sub-Fund's Net Asset Value will be subject to TRS.

The costs and fees associated with the use of securities lending, repurchase and reverse repurchase transactions and TRS are embedded in the pricing of such transaction and are therefore paid to the counterparty to the transaction. Counterparties to these transactions will be major financial institutions the identity of which will be available in the annual report of the Fund. The costs and fees are not assigned to third parties who are related parties to the Investment Manager.

The Sub-Fund will neither make use of (i) commodities lending and securities or commodities borrowing, (ii) buy-sell back transactions or sell-buy back transactions and (iii) margin lending transactions.

All of the above investments will be made in accordance with the limits set out in section A.1. of Part A of this Prospectus.

Indices

The Sub-Fund may invest, as part of the Financials, Corporates and Structured Credit Asset Classes and Hedging Strategy, as set out under their respective headings in the "Investment Process" section above, in the following FDI in order to gain long and short exposure to the UCITS eligible financial indices, for hedging and/or investment purposes: (i) CDS whose underlying comprise any of the CDS Indices, (ii) options, whose underlying comprise (a) any of the Equity Indices; (b) any of the Vol Indices; or (c) any of the CDS Indices and (iii) TRS, whose underlying comprise any of the Bond Indices. Options on Equity Indices and Vol Indices shall be limited to those where the maximum downside is known and included in the VaR calculation such as bought equity put options and bought volatility call options. The Sub-Fund's exposure to Equity Indices will be for hedging purposes and may be sought during times of volatility or significant widening of credit spreads where the credit position to be hedged may be more correlated to equity rather than debt.

The Indices set out in this section are eligible pursuant to article 44 of the Law and article 9 of the Grand Ducal regulation of 8 February 2008.

"**Bond Indices**" means any of the iBoxx HY or IG indices (additional information in respect of which is available at www.markit.com).

iBoxx cash bond indices are designed to replicate investible investment grade and high yield fixed income markets. By way of example, the Markit iBoxx EUR Liquid High Yield Index is designed to reflect the performance of EUR denominated high yield corporate debt. It consists of EUR denominated high yield bonds issued by both Eurozone and non-Eurozone corporate issuers. In order to be included in the index, the bonds must have an average credit rating of sub-investment grade as determined by Markit iBoxx EUR Investment Grade index (which is made up of consolidated ratings from Fitch Ratings, Moody's Investor Service, and/or Standard & Poor's Rating Services). Distressed and defaulted bonds are excluded from this index. Fixed and floating rate bonds are eligible for inclusion in this index. Eligible bonds must have an outstanding face value greater than or equal to EUR 250 million and a minimum time to maturity of two years to be included in this index. Bonds already included in this index are not subject to a minimum time to maturity. Rebalancing of this index occurs once a month at each calendar month-end. The index is market-value weighted with an individual issuer cap of 3% and a country weight cap of 20%. Bond composition and a full description of the index is available at www.markit.com and the above summary of the Markit iBoxx EUR Liquid High Yield Index has been prepared from information obtained from the provider of the mentioned index.

"**CDS Indices**" means any of the iTraxx Financials Sub sector index, iTraxx Main, iTraxx Crossover, iTraxx Hi Vol, iTraxx Financials Senior sector index, SovX Western Europe, CDX IG or CDX HY (additional information in respect of which is available at www.markit.com).

"**Equity Indices**" means any of the SPX S&P index (additional information in respect of which is available at www.us.spindices.com), SX7E Euro Stoxx Banks index, SX5E Euro Stoxx 50 index (additional information in respect of which is available at www.stoxx.com) or Russell 2000 index (additional information in respect of which is available at www.ftserussell.com).

"**Vol Indices**" means any of the VIX index (additional information in respect of which is available at www.cboe.com) or V2X Stoxx 50 Volatility index (additional information in respect of which is available at www.stoxx.com).

(The Bond Indices, the CDS Indices, the Equity Indices and the Vol Indices, collectively the "**Indices**".)

Any changes to the composition of indices (the rebalancing) will be governed by the index providers and governed by its rules and will not impact on the strategy of the Sub-Fund or on transaction costs associated with the Sub-Fund. However, the spread payable or receivable by the Sub-Fund in relation to a TRS (as described below) may be adjusted by agreement to take into account the cost of the rebalancing. Where the weighting of any particular component in an Index exceeds the permitted UCITS investment restrictions, any holding in such Index will be disposed of by the Sub-Fund within a reasonable timeframe taking into account the interests of Unit Holders to ensure that all regulatory requirements continue to be satisfied.

Use of TRS and Index CDS

TRS and index CDS may be used by the Sub-Fund to take long or short exposure to underlying indices in an efficient way as they enable the Sub-Fund to gain exposure to a broad range of credit instruments within the indices which would be impractical to achieve in another way. With respect to a TRS, the

Sub-Fund may go long by receiving the total returns of the index in exchange for LIBOR +/- a spread (and vice versa to go short by paying the index). To the extent that the index is made up of fixed rate bonds, a TRS may also allow a Sub-Fund to affect a view on interest rates. As financial derivatives, the use of TRS or index CDS may allow the Sub-Fund to employ leverage as the counterparties accept margin which will be a proportion of the size of the financial derivative. The counterparties to such transactions will be major banks active in credit derivative and credit TRS trading (for example, Citigroup, JPMorgan, Deutsche Bank) and transactions will be executed under ISDAs. The risks associated with such transactions are set out in Part A of the Prospectus under the heading "Risk considerations applicable to the use of financial derivatives".

8. Borrowing, Risk Management and FDI Leverage

Borrowing

The Fund may only borrow on a temporary basis for the account of the Sub-Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Sub-Fund.

Risk Measurement approach

The Sub-Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the Net Asset Value of the Sub-Fund.

When calculating the VaR daily, the Investment Manager will take into account the following quantitative standards:

- The one-tailed confidence level will be 99%;
- The holding period should be 20 days;
- The historical observation period will not be less than one (1) year, however a shorter observation period may be used if justified (for example, as a result of significant recent changes in price volatility).

9. Classes of Units

The Sub-Fund issues three Classes of Units. The first is denominated "Classic", referred to as "C", the second is denominated "Institutional", referred to as "I" and the third is denominated "Management", referred to as "M", each described more specifically in Part A "Description of the Units and Classes of Units" of this Prospectus. Such Classes of Units will be Capitalization Units or Distribution Units.

Class C4 (EUR) Units and Class C5 (EUR) Units are reserved for clients of CheBanca! S.p.A. subscribing to the respective Class of Units via Allfunds Bank S.A.U..

Class M1 Units, Class M2 Units and Class M3 Units are available to certain investors only including (i) the Investment Manager's Clients, (ii) Persons Connected to the Investment Manager and (iii) other investors at the discretion of the Board of Directors of the Management Company in consultation with the Investment Manager. For the avoidance doubt, these investors will bear their *pro rata* shares of depositary, administration and other general operating costs and share these costs with other investors.

"**Investment Manager's Clients**" means clients in respect of whom the Investment Manager acts (or will act) as investment manager, sponsor or investment adviser (including other funds, collective investment vehicles and separate managed accounts generally, investment vehicles similar to the Fund and other Sub-Funds of the Fund, as applicable).

"**RAM Group**" means the Investment Manager, its subsidiaries and affiliates, and, where applicable, any successor to any of them.

"**Persons Connected to the Investment Manager**" means any affiliate of the Investment Manager, directors and employees of the Investment Manager, and immediate family members of any of the foregoing.

Such Classes of Units will be activated upon subscription in accordance with the subscription procedure described in Part A "Procedure of Subscription, Conversion and Redemption" of this Prospectus.

10. Initial minimum subscription and subsequent subscriptions / minimum redemption amount

The minimum initial and subsequent investment amounts as well as the minimum redemption amount are reported in the following table:

* Not available for distribution in Germany.

	Class C1 (EUR) Units	Class C1-Inc (EUR) Units	Class C2 (USD) Units	Class C3 (GBP) Units	Class C3-Inc (GBP) Units	Class C4 (EUR) Units	Class C4-Inc (EUR) Units	Class C5 (EUR) Units	Class C5-Inc (EUR) Units	Class C6 (GBP) Units	Class C6-Inc (GBP) Units	Class C7 (EUR) Units	Class I1 (EUR) Units	Class I1-Inc (EUR) Units	Class I2 (USD) Units	Class I3 (GBP) Units	Class I3-Inc (GBP) Units	Class I4 (EUR) Units *	Class I5 (USD) Units *	Class I6 (GBP) Units *	Class M1 (EUR) Units	Class M2 (USD) Units	Class M3 (GBP) Units
Currency of Quotation	EUR	EUR	USD	GBP	GBP	EUR	EUR	EUR	EUR	GBP	GBP	EUR	EUR	EUR	USD	GBP	GBP	EUR	USD	GBP	EUR	USD	GBP
Currency hedged Unit Class	N/A	N/A	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes
Capitalization Units	Yes	No	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Distribution Units	No	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	No	No	Yes	No	No	Yes	No	No	No	No	No	No
Minimum initial investment	EUR 10,000 (or currency equivalent)											EUR 1,000,000	EUR 100,000 (or currency equivalent)										
Minimum subsequent investment	EUR 10,000 (or currency equivalent)											EUR 100,000 (or currency equivalent)											
Minimum redemption amount	EUR 10,000 (or currency equivalent)											EUR 100,000 (or currency equivalent)											
Minimum Unitholding	EUR 10,000 (or currency equivalent)											EUR 100,000 (or currency equivalent)											

The initial offer period for any Class of Units in the Sub-Fund which is available but has not yet launched, will close on the date on which the first Unit of the relevant Class is issued. The initial offer periods may be extended or shortened by the Board of Directors of the Management Company in accordance with Applicable Laws.

The initial issue price per Unit of each Class during the initial offer period shall be, depending on the denomination of the Class of Units, EUR 100, GBP 100 or USD 100.

Investment Management

Pursuant to an investment management agreement which entered into force on 16 August 2021 (the "**Investment Management Agreement**"), RAM Active Investments S.A. has been appointed by the Management Company as investment manager of the Sub-Fund. The Investment Management Agreement has been entered into for an unlimited period of time. However, the Management Company may terminate the Investment Management Agreement with immediate effect when this is in the interest of the Unit Holders.

The Investment Manager is a private limited company under the laws of Switzerland, having its registered office at Rue du Rhône 8, 1204 Genève, Swizerland and registered with the *Registre du commerce du Canton de Genève* under number CHE-113.175.951.

The Investment Manager is authorised and regulated by the Swiss Financial Market Supervisory Authority (**FINMA**) in Swizerland.

11. Fees and Expenses

Distributor Fees and Charges

The distributor is entitled to receive a distribution fee of up to a maximum of 3% per annum calculated on the average quarterly Net Asset Value of the relevant Class of Units and payable quarterly. Such distribution fee will be paid by the Sub-Fund directly to the distributor and reflected in the Net Asset Value of the relevant Class of Units.

The distributor is entitled to receive an upfront sales charge of up to a maximum of 2% calculated as a percentage of the subscribed amount. Investors will be required to pay the distributor such upfront sales charge in addition to their subscribed amount and the distributor will retain the upfront sales charge prior to the subscription in the Sub-Fund.

The distributor fees and charges applied to each Class of Units are reported in the following table:

Unit Class	C1, C1-Inc, C2,C3 and C3-Inc Classes	C4 and C4-Inc Classes	C5 and C5-Inc Classes	C6 and C6-Inc Classes	Class C7	I1, I1-Inc, I2, I3 and I3-Inc Classes	I4, I5 and I6 Classes*	M Classes
Distribution Fee per annum	None	0.50% per annum	None	None	None	None	None	None
Upfront Sales Charge	None	None	Up to a maximum of 2% of the subscribed amount	None	None	None	None	None

* Not available for distribution in Germany.

Investment Management Fee

In addition to the management fee as set out in Part A of this Prospectus, an investment management fee is payable to the Investment Manager in compensation the performance of the investment management function. Such fee shall be calculated and accrued daily on each Valuation Day and payable monthly in arrears.

The investment management fee applied to each Class of Units are reported in the following table:

Unit Class	C1, C1-Inc, C2, C3 and C3-Inc Classes	C4, C4-Inc, C5 and C5-Inc Classes	C6 and C6-Inc Classes	Class C7	I1, I1-Inc, I2, I3 and I3-Inc Classes	I4, I5 and I6 Classes*	M Classes
Investment Management Fee per annum	1.35% per annum	1.20% per annum	0.75% per annum	0.80% per annum	0.75% per annum	0.50% per annum	None
Performance Fee	None	None	None	None	None	15% of the positive difference between (i) that relevant Class's Net Asset Value before accrual for Performance Fees at the end of the	None

						relevant Performance Period and (ii) the Class High Water Mark Threshold Amount See section below titled "Performance Fee" for more details	
Class Hurdle Rate	None	None	None	None	None	12 month EURIBOR (I4 Class), $ LIBOR (I5 Class), £ LIBOR (I6 Class) plus 2%	None

* Not available for distribution in Germany.

Performance Fee

The Investment Manager will also be entitled to receive a performance-based fee out of the assets of the Sub-Fund (the "Performance Fee"), being a percentage of the appreciation of the Net Asset Value of the Units of the relevant Class (see the performance fee contained in the table above and further described below), subject to a high water mark as outlined below, and calculated and accrued daily on each Valuation Day and paid annually in arrears at the end of each calendar year (the "Performance Period") or, if earlier, (i) as of each Business Day with respect to the Units redeemed by redeeming Unit Holders, (ii) as of the effective date of the merger of the Sub-Fund, (iii) in the Management Company's sole discretion, as of the effective date of a transfer of Units with respect to the Units transferred, or (iv) as of the date of the termination of the appointment of the Investment Manager, in each case with respect to the period ending on such date.

The first Performance Period will be the period commencing on the Business Day which immediately follows the closing of the initial offer period in respect of the relevant Class and ending on 31 December 2019 and the initial issue price will be taken as the starting price for the calculation of the Performance Fee (i.e., the Performance Fee will only be paid on the subsequent outperformance by the Net Asset Value per Unit of the initial issue price). For further details, see section entitled "Class High Water Mark" below.

All fees and expenses (except the Performance Fee) that have been accrued or paid (but not previously accrued) for a given period will be deducted prior to calculating the Performance Fees for such period, including, without limitation, the Investment Management Fee. The Investment Manager may from time to time at its sole discretion and out of its own resources decide to rebate to Unit Holders part

or all of its Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Units to be issued to the Unit Holders, or may (at the discretion of the Investment Manager) be paid in cash.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Performance Period and, as a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

For each Performance Period, the Performance Fee will be equal to 15% of the positive difference between (i) that relevant Class's Net Asset Value before accrual for Performance Fees at the end of the Performance Period and (ii) the Class High Water Mark Threshold.

Class High Water Mark

The Performance Fee will be calculated by utilising a high water mark and will not be payable until the Net Asset Value per Unit of the relevant Class exceeds the previous highest Net Asset Value per Unit of the relevant Class on which the Performance Fee was paid/accrued (or the initial issue price, if higher) (the "Class High Water Mark"). The Class High Water Mark per Unit will be the Net Asset Value per Unit of the relevant Class on the last day of any Performance Period in respect of which a Performance Fee was charged. The Performance Fee is only payable on the increase over the Class High Water Mark.

The "Class High Water Mark Threshold Amount" is as of a Valuation Day equal to the higher of (i) the Class High Water Mark and (ii) the Net Asset Value per Unit on the date of investment (or the initial issue price if invested at issue) increased by the Class Hurdle Rate per annum since the date of investment.

The "Class Hurdle Rate" is 12 month EURIBOR, £ LIBOR or $ LIBOR depending on the currency of the Class plus 2% (except in the case of the first Performance Period for which the 12 month rate will be replaced with a maturity appropriate to the length of the first Performance Period).

The Performance Fee shall be calculated by the Administrator and verified by the Depositary Bank following the year end.

For a description of the manner in which the Performance Fee is borne by each Unit and the time of payment, see the section entitled "Equalisation Policy". The Equalisation Policy is intended to ensure that Performance Fees are only paid on positive performance in excess of the Class Hurdle Rate irrespective of whether an Unit Holder subscribes at a Net Asset Value which is above or below the Class High Water Mark at the time.

Through the operation of the Class High Water Mark, the Class Hurdle Rate and the Equalisation Policy, it is intended that Unit Holders in the Sub-Fund will pay Performance Fees based on any positive performance in excess of the Class Hurdle Rate over the period of their investment in the Sub-Fund.

Operation of the Class High Water Mark means that Performance Fees cannot be earned on any Performance Period until the Net Asset Value per Unit is higher than the prior Class High Water Mark (the Net Asset Value when a Performance Fee was last paid) or subscription price (for investments prior to 31 December 2019), in each case increased at the Class Hurdle Rate.

Equalisation Policy

Units are acquired at a price based on the Net Asset Value per Unit. When Units are subscribed, certain adjustments will be made to reduce inequities that could otherwise result to the Unit Holder or to the Sub-Fund. This is done so that: (i) the Performance Fee paid to the Investment Manager is charged only to those Units which have appreciated in value since their acquisition, (ii) all Unit Holders of a Class will have the same amount per Unit at risk, and (iii) all Units in the same Class have the same Net Asset Value per Unit. The equalisation amount shall be paid to the Investment Manager on a monthly basis.

(A) If Units are subscribed for at a time when the Net Asset Value per Unit is less than the Class High Water Mark Threshold Amount, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Units. With respect to any appreciation in the value of those Units from the Net Asset Value per Unit at the date of subscription up to the Class High Water Mark Threshold Amount, the Performance Fee will be charged at the end of each Performance Period by redeeming such number of the investor's Units of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to a percentage of any such appreciation of the relevant class of Units as outlined by the performance fee contained in the table above (a "Performance Fee Redemption"). The aggregate Net Asset Value of the Units so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Unit of each relevant Class. As regards the investor's remaining Units of the relevant Class, any appreciation in the Net Asset Value per Unit of those Units above Class High Water Mark will be charged a Performance Fee in the normal manner described above.

(B) If Units are subscribed for at a time when the Net Asset Value per Unit is greater than the Class High Water Mark Threshold Amount, the investor will be required to pay an amount in excess of the then current Net Asset Value per Unit of that Class equal to a percentage of the difference between the then current Net Asset Value per Unit of that Class (before accrual for the Performance Fee) and the Class High Water Mark Threshold Amount as outlined by the performance fee contained in the table above (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Unit accrued with respect to the other Units of the same Class in the Sub-Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Unit of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Unit Holders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Unit Holder making the subscription because, as to such Units, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Units of the same Class have the same amount of capital at risk per Unit. The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class of Units subsequent to the issue of the relevant Units but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Unit of those Units, the Equalisation Credit will also be reduced by an amount equal to a percentage of the difference between the Net Asset Value per Units of the relevant Class of Units as outlined by the performance fee contained in the table above (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset

Value per Unit of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit. At the end of each Performance Period, if the Net Asset Value per Unit (before accrual for the Performance Fee) exceeds the Class High Water Mark, that portion of the Equalisation Credit equal to a percentage of the relevant Class of Units, as outlined by the performance fee contained in the table above, of the excess, multiplied by the number of Units of that Class subscribed for by the Unit Holder, will be applied to subscribe for additional Units of that Class for the Unit Holder. Additional Units of that Class will continue to be so subscribed for at the end of each Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Units of that Class was made, has been fully applied. If the Unit Holder redeems his Units of that Class before the Equalisation Credit has been fully applied, the Unit Holder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Units of that Class being redeemed and the denominator of which is the number of Units of that Class held by the Unit Holder immediately prior to such redemption in respect of which an Equalisation Credit was paid on subscription.

Please refer to Annex I attached hereto for worked examples.

Anti-Dilution Levy

The Management Company reserves the right to impose an anti-dilution levy of up to 3% of the Net Asset Value per Unit in the case of net subscriptions and/or net redemptions on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/redemption calculated for the purposes of determining a subscription price or redemption price to reflect the impact of duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve value of the underlying assets of the Sub-Fund where it considers such a provision to be in the best interests of the Sub-Fund. Such amount will be added to the price at which Units will be issued in the case of net subscription requests and deducted from the price at which Units will be redeemed in the case of net redemption requests. Any such sum will be paid into the account of the Sub-Fund.

12. Distribution Policy

Distribution Units

The Sub-Fund intends to declare dividends out of the net investment income (including interest and fee income) in respect of Units in the Distributing Unit Classes on a semi-annual basis (calculated at the applicable Valuation Day closest to the relevant semi annual dates of 30 June and 31 December) at the discretion of the Management Company. It is expected that, once a dividend has been declared, it will be distributed to Unit Holders within 10 Business Days of being so declared. Any principal proceeds from the repayment, prepayment or sale of investments are expected to be retained by the Sub-Fund and may be reinvested. The Management Company has the power to decide on the actual

declaration and the level of any dividends having regard to the recommendation of the Investment Manager.

Capitalization Units

The Sub-Fund does not currently intend to declare any dividends in respect of the Units in the Capitalization Unit Classes. Accordingly all net investment income (and net realized capital gains, if applicable) attributable to Units in the Capitalization Unit Classes is expected to be retained by the Sub-Fund, which will result in an increase in the Net Asset Value per Unit of Units in the Capitalization Unit Classes. If the Management Company proposes to change the distribution policy for all or any of the Capitalization Unit Classes and declare a dividend at any time in the future, full details of the revised distribution policy (including details of methods of payment of those dividends) will be disclosed in an updated version of this Prospectus and will be notified to Unit Holders of the affected Unit Classes in advance.

13. Definition of Business Day

For this Sub-Fund a Business Day shall refer to any day on which banks are simultaneously open for business in Luxembourg and London except for the 24 and 31 December.

14. Subscription price

The subscription price per Unit in the Sub-Fund shall be equal to the Net Asset Value per each Class of Units of the Sub-Fund on the relevant Valuation Day. The Sub-Fund may charge an anti-dilution levy as described in the section titled “Anti-Dilution Levy” above and a distributor may charge an upfront sales charge as described in the section titled “Distributor Fees and Charges” above. The subscription list will be closed at 12.00 p.m. Luxembourg time at the latest on the Business Day preceding the relevant Valuation Day.

Payment for subscriptions must be made within three Business Days after the relevant Net Asset Value is calculated.

15. Redemptions

On any Business Day, the Unit Holders have the right to request for redemption of all or part of their Units and the redemption shall be in any case in cash.

The redemption price equals the Net Asset Value per each Class of Units on the relevant Valuation Day. Currently no general exit fee applies, however, the Sub-Fund may charge an anti-dilution levy as described in the section titled “Anti-Dilution Levy” above.

The redemption list will be closed at 12.00 p.m. Luxembourg time on the Business Day preceding the relevant Valuation Day.

The redemption price shall be paid within three Business Days after the relevant Net Asset Value is calculated.

16. Conversions

The Units of one Class of Units of the Sub-Fund may be converted into another Class of Units of the Sub-Fund according to the procedure described in Part A of the Prospectus. No conversion fee shall apply. Units of the Sub-Fund cannot be converted into Units of another sub-fund of the Fund.

The conversion list will be closed at 12.00 p.m. Luxembourg time on the Business Day preceding the relevant Valuation Day.

17. Reference currency

The reference currency of the Sub-Fund is the EUR.

18. Frequency of Calculation and Valuation Day

The Net Asset Value of the Sub-Fund will be determined, per each Class of Units, under the full responsibility of the Board of Directors of the Management Company on each Business Day ("**Valuation Day**").

19. Publication of the Net Asset Value

The Net Asset Value per each Class of Units will be available at the registered office of the Fund and will be published daily in "*Il Sole 24 Ore*" or on the website of the Investment Manager (www.ram-ai.com).

20. Likely Impacts following the Occurrence of a Sustainability Risk

The Sub-Fund is exposed to a broad range of Sustainability Risks. A wide range of Sustainability Risks can affect bond borrowers' cash flows and affect their ability to meet their debt obligations. For corporate bond issuers, environmental risks include but are not limited to, the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity leading to the potential of higher water prices, waste management challenges and impact on global and local ecosystems. Social risks include, but are not limited to, product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data and privacy concerns and increasing technological regulation. Governance risks are also relevant and can include board composition and effectiveness, management incentives, management quality and alignment of management with shareholders. Furthermore, with the general raising of awareness on sustainability issues across Europe, the underlyings are exposed to reputational risk linked to sustainability that can affect the underlying or this Sub-Fund directly. For example, through name and shame campaigns by non-governmental organizations or consumer organizations, stigmatization of an industry sector and shift in consumer preferences may negatively impact the underlying and the value of its investments. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

Annex I
Performance Fee Worked Example

Example
Performance Fee equalisation requires the systematic tracking of Unit Holders' high water marks in order to track Unit Holders subscribing on different Valuation Days within the Performance Period, such that the Unit Holders contribute equitably to the payment of the Performance Fee of the relevant Class. The initial high watermark of a Unit Holder's subscription is the Net Asset Value before the deduction of the Performance Fee at the point of subscription.

Dealing Schedule

Subscription Date	Transaction Type	Investor	Amount	Subscription Price	Units Issued
January 1st	Subscription	A	€10,000,000	100.00	100,000
April 1st	Subscription	B	€10,500,000	105.00	100,000
July 1st	Subscription	C	€9,000,000	90.00	100,000

At the end of the Performance Period, the Class has the following data. For the purposes of this example, the Class Hurdle Rate is assumed to be 0%, but the actual rate applied is as described in the fee table under the section titled "Investment Management Fee" above.

Class High Water Mark	100.00
Class High Water Mark Threshold Amount	100.00
Class Hurdle Rate (2% + EURIBOR which is assumed to be -2%)	0.00%
Net Asset Value per Unit before the deduction of the Performance Fee	110.00
Investment Manager Performance Fee of outperformance above the Class Hurdle Rate	15.00%
Net Asset Value per Unit inclusive of the Performance Fee	108.50

Performance Fee
The Performance Fee payable to the Investment Manager is equal to 15% of the positive difference between the Net Asset Value per Unit before the deduction of the Performance Fee and the Class High Water Mark Threshold Amount. For Investor A in the above dealing schedule table, the Class High Water Mark Threshold Amount is assumed to equal 100 and the Sub-Fund has achieved a return of 10%, meaning that there is outperformance of 10%. The Investment Manager would be due 15% of this outperformance which equates to 1.5%. Therefore, the Investment Manager would be due a Performance Fee of €150,000 from Investor A.

Equalisation Credit
Equalisation ensures that each Unit Holder pays a Performance Fee based on the gain of its investment only, while maintaining that all Unit Holders refer to the same Net Asset Value per Unit.
The equalisation amount shall be paid to the Investment Manager on a monthly basis.

Investor B	
Subscription Price/ Investor B high water mark	105.00
Class High Water Mark Threshold Amount	100.00
Outperformance by Investment Manager	105.00 – 100.00 = 5
Performance Fee accrual at time of investment	15% of 5 = 0.75
Net Asset Value per Unit inclusive of the Performance Fee	105 – 0.75 = 104.25

€0.75 per Unit was payable to the Investment Manager at the time of Investor B's initial subscription for the positive performance that the Sub-Fund experienced across the first quarter of the Performance Period. Investor B did not participate in this performance and so it is not obliged to pay the fee and so an Equalisation Credit of €0.75 per Unit is issued to this Unit Holder as a form of compensation to bring its account value back up to its investment amount:

Net Asset Value	€10,425,000 (104.25 x 10,000 Units)
Equalisation Credit	€75,000 (0.75 x 10,000 Units)
Total Account Value	€10,500,000

At the end of the Performance Period, Investor B has made a return of €5 per Unit on its investment as it is now worth 110.00 per Unit, having invested at 105.00. The Investment Manager is due 15% of this outperformance in the form of a Performance Fee which equates to €75,000. The Performance Period end Net Asset Value per Unit of the relevant Class is 108.50 which is above the premium at which the Unit Holder initially subscribed for, so the Equalisation Credit is still accruing on its account. It should be noted that the Equalisation Credit issued at subscription may be lost either partially or wholly (subject to the performance of the Class).

Investor B	
(A) Investor B high water mark threshold amount at the end of the Performance Period	€10,500,000
(B) Account Valuation before the deduction of Performance Fees	€11,000,000
(C) Outperformance	€500,000 (B) – (A)
(D) Investment Manager Performance Fee Allocation	€75,000 15% of (C)
(E) Account Valuation inclusive of Performance Fees	€10,925,000 (B) – (D)
(F) Investor Net Asset Value per Unit inclusive of Performance Fee	109.25 (E) / 100,000 Units

Investor B would end up with a Net Asset Value per Unit of 109.25 post the payment of the Performance Fee to the Investment Manager, but the relevant Class level Net Asset Value per Unit is 108.50 which would result in the investor high water mark at reset being different to the Class High Water Mark. The Equalisation Credit of €75,000 which has been accruing on Investor's B account will be crystallised at the Performance Period and new Units will be issued at the price of 108.5.

(A) Investor B Units at initial subscription	100,000
(B) Equalisation Credit	€75,000
(C) Equalisation Units issued	691.24 (€75,000 / 108.5)
(D) Total Units	100,691.24
(E) Account Valuation	€10,925,000
(F) Investor B Net Asset Value per Unit/high water mark for the next Performance Period	108.50 (E) / (D)

Performance Fee Redemption

Investor C has subscribed to the Sub-Fund at a time when the Net Asset Value per Unit is below the Class High Water Mark. At the end of the Performance Period, there has been appreciation in the value of the investment of €20 per Unit for investor C.

Investor C	
(A) Investor C high water mark	90.00
(B) Unit Class Net Asset Value per Unit before deducting the Performance Fee	110.00
(C) Gain per Unit	20.00 (B) – (A)

If we were to apply the Class High Water Mark to investor C's account, then it would only be liable to pay a fee on the outperformance earned between the Class High Water Mark (100.00) and the ending Net Asset Value per Unit before deducting the Performance Fee (110.00). This would result in the Unit Holder benefiting from a gain in its account valuation from its initial subscription price to the Class High Water Mark, without having to pay for this accrued performance. Investor C is therefore liable to pay a Performance Fee through a redemption of Units, in addition to the Performance Fee that has ordinarily accrued at Class level.

Investor C	
(A) Class High Water Mark Threshold Amount	€9,000,000
(B) Account Valuation before the deduction of Performance Fees	€11,000,000
(C) Outperformance	€2,000,000
(D) Investment Manager Performance Fee Allocation	€300,000 15% of (C)
(E) Account Valuation inclusive of Performance Fees	€10,700,000 (B) – (D)
(F) Investor Net Asset Value per Unit inclusive of Performance Fee	107.00 (E) / 100,000 Units

Investor C would end up with a Net Asset Value per Unit of 107.00 post the payment of the Performance Fee to the Investment Manager, but the Class level Net Asset Value per Unit is 108.50 which would result in the investor high water mark at reset being different to the Class High Water Mark. The portion of the Performance Fee payment that applies to appreciation from the investor high water mark to the Class High Water Mark is processed through a compulsory redemption of Units:

(A) Investor C high water mark	90.00
(B) Class High Water Mark	100.00
(C) Outperformance	10.00 (B) – (A)
(D) Investment Manager Performance Fee	15% of (C) = €1.5 per Units/€150,000
(E) Performance Fee Redemption	€150,000 / 108.5 = 1,382.49 Units
(F) Total Units	98,617,51 (100,000 – (E))
(G) Account Valuation	€10,700,000
(H) Investor C Net Asset Value per Unit/high water mark for next Performance Period	108.50 (G) / (F)

ADDITIONAL INFORMATION EXCLUSIVELY FOR QUALIFIED INVESTORS IN SWITZERLAND

1. Representative of the Company in Switzerland

BNP Paribas Securities Services, Paris, succursale de Zurich with registered office in Selnaustrasse 16, 8002 Zurich, Switzerland is appointed by the Company as its Representative in Switzerland.

2. Paying Agent of the Company in Switzerland

BNP Paribas Securities Services, Paris, succursale de Zurich with registered office in Selnaustrasse 16, 8002 Zurich, Switzerland is appointed by the Company as its Paying Agent in Switzerland.

3. Location where the relevant documentation of the Company may be obtained

The Company's Prospectus, Key Investor Information Documents (KIIDs), Management Regulations as well as the annual and semi-annual financial reports can be obtained free of charge from the appointed Representative in Switzerland.

4. Payment of retrocessions and rebates

The Company, its Management Company and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of fund units in or from Switzerland.

In respect of distribution in or from Switzerland, the Company, its Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Company.

5. Place of performance and jurisdiction

For the Units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the appointed Representative in Switzerland.