

LA FINANCIÈRE CONSTANCE SICAV

LA FINANCIÈRE CONSTANCE SICAV


Société d'Investissement à Capital Variable

PROSPECTUS
February 2020

SUBSCRIPTIONS SHALL ONLY BE VALID IF MADE ON THE BASIS OF THE KIID OR THE CURRENT PROSPECTUS ACCOMPANIED BY THE MOST RECENT ANNUAL REPORT AS WELL AS BY THE MOST RECENT SEMI-ANNUAL REPORT IF PUBLISHED MORE RECENTLY THAN THE MOST RECENT ANNUAL REPORT. NO ONE IS AUTHORISED TO STATE OTHER INFORMATION THAN THE ONE CONTAINED IN THE PROSPECTUS AS WELL AS IN THE DOCUMENTS HEREIN MENTIONED, WHICH A

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L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2020-01-23
Commission de Surveillance du Secteur Financier



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AUDITORS

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PROSPECTUS

relating to the permanent offer of shares
in the Company

LA FINANCIÈRE CONSTANCE SICAV

LA FINANCIÈRE CONSTANCE SICAV (the "**Company**") is listed on the official list of undertakings for collective investment pursuant to the law of 17 December 2010 concerning undertakings for collective investment, as subsequently amended (hereafter referred to as the "**2010 Law** ") and subject to the 2010 Law and to the law of 10th August 1915 on commercial companies, as subsequently amended (the "**1915 Law**"). It is subject in particular to the provisions of Part I of the 2010 Law, which relates specifically to undertakings for collective investment in transferable securities ("**UCITS**"), as defined by the Directive 2009/65/EC. However, such listing does not require any Luxembourg authority to approve or disapprove either the adequacy or the accuracy of this prospectus (the "**Prospectus**") or the portfolio of securities held by the Company. Any representation to the contrary would be unauthorised and unlawful.

The Company's board of directors (the "**Board of Directors**") has taken all possible precautions to ensure that the facts indicated in this Prospectus are accurate in all material respects and that no point of any importance has been omitted which could render erroneous any of the statements set forth herein.

Any information or representation not contained herein, in the Appendixes to the Prospectus, in the Key Investor Information Document ("**KIID**"), or in the reports, which form an integral part hereof, must be regarded as unauthorised. Neither the remittance of this Prospectus, nor the offer, issue or sale of shares of the Company will constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof. In order to take account of important changes such as the opening of a new sub-fund of shares, this Prospectus, as well as its Appendixes will be updated at the appropriate time. Subscribers are therefore advised to contact the Company in order to establish whether any later Prospectus has been published.

References to the terms or abbreviations set out below designate the following currency:

EUR: Euro

USD: United States Dollar

I. GENERAL DESCRIPTION

1. INTRODUCTION

LA FINANCIÈRE CONSTANCE SICAV is an investment company with variable share capital consisting of various sub-funds, each relating to a portfolio of specific assets made up of transferable securities and money market instruments within the meaning of the 2010 Law and the Grand-Ducal regulation of 8th February 2008 ("**Transferable Securities**" and "**Money Market Instruments**" respectively) as well as other eligible assets in compliance with article 41 of the 2010 Law denominated in various currencies. The characteristics and investment policies of each sub-fund are defined in Appendix III.

The capital of the Company is divided into several sub-funds each of which may offer several classes of shares, as defined in Section III below and for each sub-fund in accordance with the respective provisions described in the sub-fund's relevant data sheet under Appendix III.

The Company may create new sub-funds. In such an event, this Prospectus will be amended accordingly and will contain detailed information on the new sub-funds in its sub-funds' data sheets under Appendix III. The actual launch of any new sub-fund or class of shares within a sub-fund mentioned in the Prospectus and in the KIID will be decided by the Board of Directors. More particularly, the Board of Directors will determine the initial subscription price and subscription period/day, as well as the payment date of those initial subscriptions.

The shares of each sub-fund of the Company are issued and redeemed at prices calculated for each sub-fund with a frequency in accordance with the respective provisions described in the sub-fund's relevant data sheet under Appendix III and provided the banks in Luxembourg are open for business (a "**Bank Business Day**") on this day (the calculation day so defined being hereafter referred to as a "**Valuation Day**"). For the avoidance of doubt, half-closed bank business days in Luxembourg are considered as being closed for business.

The Net Asset Value of each sub-fund of shares will be expressed in its reference currency, as stipulated in the sub-fund's relevant data sheet under Appendix III.

The reference currency of the Company is expressed in Euro.

2. THE COMPANY

The Company was incorporated as an open-ended investment company with limited liability incorporated in Jersey on 2 July 2008 and transferred by a decision of its shareholders in Luxembourg on March 18, 2016.

The minimum share capital as provided by law is set at EUR 1,250,000.00 (one million two hundred and fifty thousand Euros) and must be reached within 6 (six) months of the Company's authorisation in Luxembourg. The Company's share capital is at all times equal to the sum of the values of the net assets of its sub-funds and represented by shares of no par value.

Variations in the capital are effected "*ipso jure*" (automatically by the effect of law).

The Company's articles of incorporation ("**Articles of Incorporation**") have been filed with the *Registre de Commerce et des Sociétés* of Luxembourg and will be published in the Luxembourg Official Gazette, the *Mémorial C, Recueil des Sociétés et Associations* (the "*Mémorial*")

The Company's inscription in the *Registre de Commerce et des Sociétés* in Luxembourg (the "**R.C.S.**") is pending.

II. MANAGEMENT AND ADMINISTRATION

1. BOARD OF DIRECTORS

The Board of Directors is responsible for the administration, management and marketing of the Company and of the assets of each sub-fund. It may carry out all acts of management and administration on behalf of the Company; it may in particular purchase, sell, subscribe or exchange any Transferable Securities, Money Market Instruments and other eligible assets and exercise all rights directly or indirectly attached to the Company's assets.

The list of the members of the Board of Directors, as well as of the other administrative bodies in operation may be found in this Prospectus and in the periodic reports.

2. DEPOSITARY AND PAYING AGENT, ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT

Depositary and Principal Paying Agent

Société Générale Bank & Trust is the Company's depositary and paying agent (the **Depositary**).

The Depositary will assume its functions and duties in accordance with articles 33 to 37 of the 2010 Law and the COMMISSION DELEGATED REGULATION (EU) 2016/438 of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (**EU Level 2 Regulation**). The relationship between the Company, the Management Company acting on behalf of the Company and the Depositary is subject to the terms of a depositary and paying agent agreement entered into for an unlimited period of time (the **Depositary Agreement**). Each party to the Depositary Agreement may terminate it upon a ninety (90) calendar days' prior written notice.

In accordance with the 2010 Law, and pursuant to the Depositary Agreement, the Depositary carries out, inter alia, the safe-keeping of the assets of the Company as well as the monitoring of the cash flows and the monitoring and oversight of certain tasks of the Company.

The Depositary may delegate Safe-keeping Services (as defined in the Depositary Agreement) to any entity appointed by the Depositary, to whom Safe-keeping Services (as defined in the Depositary Agreement) have been delegated in accordance with article 34bis of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation (the **Safe-keeping Delegates**) under the conditions stipulated in the Depositary Agreement and in accordance with article 34bis of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation. A list of the Safe-keeping Delegates is available on http://www.securities-services.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_Depositarys_for_SGSS_2016_05.pdf. The Depositary is also authorized to delegate any other services under the Depositary Agreement other than Oversight Services and Cash Monitoring Services (as defined in the Depositary Agreement).

The Depositary is liable to the Company for the loss of Held In Custody Assets (as defined in the Depositary Agreement and in accordance with article 18 of the EU Level 2 Regulation) by the Depositary or the Safe-keeping Delegate. In such case, the Depositary shall be liable to return a Held In Custody Assets of an identical type or the corresponding amount to the Company without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all

reasonable efforts to the contrary. In performing any of its other duties under the Depositary Agreement, the Depositary shall act with all due skill, care and diligence that a leading professional depositary for hire engaged in like activities would observe. The Depositary is liable to the Company for any other losses (other than loss of Held In Custody Assets described above) as a result of negligence, bad faith, fraud, or intentional failure on the part of the Depositary (and each of its directors, officers, servants or employees).

The liability of the Depositary as to Safe-keeping Services shall not be affected by any delegation as referred to in article 34bis of the 2010 Law or excluded or limited by agreement.

In case of termination of the Depositary Agreement, a new depositary shall be appointed. Until it is replaced, the resigning or, as the case may be, removed depositary shall take all necessary steps for the safeguard of the interests of the Shareholders.

The Depositary is a wholly-owned subsidiary of Société Générale, a Paris-based credit institution. The Depositary is a Luxembourg public limited company registered with the Luxembourg trade and companies register under number B 6061 and whose registered office is situated at 11, avenue Emile Reuter, L-2420 Luxembourg. Its operational center is located 28-32, place de la Gare, L-1616 Luxembourg. It is a credit institution in the meaning of the law of 5 April 1993 relating to the financial sector, as amended.

The Depositary is not responsible for any investment decisions of the Company or of one of its agents or the effect of such decisions on the performance of a relevant Sub-fund.

Up-to-date information regarding the above information will be made available to investors on request.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositaries tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders.

In this respect, the Depositary has in place a policy for the prevention, detection and management of conflicts of interest resulting from the concentration of activities in Société Générale's group or from the delegation of safekeeping functions to other Société Générale entities or to an entity linked to the Management Company.

This conflict of interest management policy intends to:

- Identify and analyse potential conflict of interest situations
- Record, manage and track conflict of interest situations by:
 - (i) Implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated IT environments;
 - (ii) Implementing, on a case-by-case basis:
 - (a) Appropriate preventive measures including the creation of an ad hoc tracking list and new chinese walls, and by verifying that transactions are processed appropriately and/or by informing the clients in question;
 - (b) Or, by refusing to manage activities which may create potential conflicts of interest.

Thus, Société Générale Bank & Trust in its capacity, in one hand, as depositary and paying agent and, on the other hand, as administrative agent and registrar agent of the Company has established

a functional, hierarchical and contractual separation between the performance of its depositary functions and the performance of those tasks

Regarding the delegation of the Depositary's safekeeping duties to a company linked to other Société Générale entities or to an entity linked to the Management Company, the policy implemented by the Depositary consists of a system which prevents conflicts of interest and enables the Depositary to exercise its activities in a way that ensures that the Depositary always acts in the best interests of the Company. The prevention measures consist, specifically, of ensuring the confidentiality of the information exchanged the physical separation of the main activities which may create potential conflicts of interest, the identification and classification of remuneration and monetary and non-monetary benefits, and the implementation of systems and policies for gifts and events.

Further details are available on:

https://www.sgbt.lu/fileadmin/user_upload/SGBT/PDF/Summary_of_the_conflicts_of_interest_management_policy.pdf

The Management Company has delegated its administrative agent duties to SGBT (hereafter referred to as the "**Administrative Agent**"), pursuant to an agreement signed on March 18, 2016 between the Management Company, the Company and SGBT.

As Administrative Agent, SGBT is responsible for the calculation of the Net Asset Value per share, the maintenance of records and other general administrative functions.

The Management Company has delegated its register and transfer agent duties to SGBT.

As Register Agent, SGBT is responsible for processing the issue (registration), redemption and conversion of shares in the Company, for the settlement arrangements thereof, as well as for keeping official records of the shareholders' register (the "**Register**").

In addition, Société Générale Bank & Trust will act as the Company's principal paying agent. In that capacity, Société Générale Bank & Trust will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the Shares of the Company.

3. MANAGEMENT COMPANY

Pure Capital S.A. (the "**Management Company**"), is appointed as management company, principal distributor, administrative agent and registrar agent pursuant to the agreement signed on March 18, 2016 between the Company and the Management Company.

The Management Company is a company incorporated under Luxembourg law with registered office situated at 2, Rue d'Arlon, L-8399 Windhof, Grand Duchy of Luxembourg. The Management Company was incorporated for an indeterminate period in Luxembourg on 7 April 2010 in the form of a joint stock company (i.e., a *société anonyme*), in accordance with the 1915 Law, as subsequently amended. Its capital is actually in the amount of EUR 400,000.- (four hundred thousand Euro).

The deed of incorporation of the company was published in the *Mémorial* on 19 May 2010 (R.C.S. n° B152.461). The Management Company is governed by Chapter 15 of the 2010 Law and, in this capacity, is responsible for the collective management of the Company's portfolio. As provided in Appendix II to the 2010 Law, these duties encompass the following tasks:

- (I) asset management, the Management Company may:
 - provide all advice and recommendations as to the investments to be made,
 - enter into contracts, buy, sell, exchange and deliver all Transferable Securities and any other assets,

- exercise, on behalf of the Company, all voting rights attaching to the Transferable Securities constituting the Company's assets.

(II) administration, which encompasses:

- a) legal services and accounts management for the Company,
- b) follow-up of requests for information from clients,
- c) valuation of portfolios and calculation of the value of Company shares (including all tax issues),
- d) verifying compliance with regulations,
- e) keeping the Register,
- f) allocating Company income,
- g) issue and redemption of Company shares (Registrar Agent's duties),
- h) winding-up of contracts (including sending certificates),
- i) recording and keeping records of transactions.

(III) marketing the Company's shares.

The rights and obligations of the Management Company are governed by contracts entered into for an indefinite period. The Company may terminate the agreement with the Management Company upon 3 (three) months' written notice. The Management Company may resign from its duties provided it gives the Company 3 (three) months' written notice.

In accordance with the laws and regulations currently in force and with the prior approval of the Board of Directors, the Management Company is authorised to delegate, unless otherwise provided herein, all or part of its duties and powers to any person or company, which it may consider appropriate, it being understood that the Prospectus will be amended prior thereto and that the Management Company will remain entirely liable for the actions of such representative(s).

The management duties and the duties of administrative agent and registrar and transfer agent are currently delegated, as described above.

Remuneration Policy:

The Management Company has implemented a remuneration policy that is designed as not to encourage excessive risk taking. In that context, it integrates in its performance management system risk criteria specific to the activities of the business units concerned. The Management Company has implemented a series of safeguards that refrain from staff taking undue risk compared to the activity profile. The Remuneration Policy supports the business strategy, company values and a long-term interest of the Management Company, of the managed UCITS and/or UCI's and of the underlying investors of any managed UCITS and/or UCI's. The governance structure of the Remuneration Policy aims at preventing internal conflicts of interest.

More specifically the Management Company has determined and applies remuneration policies and practices that comply with the legal requirements, in particular the principles listed in Article 111ter of the 2010 Law. These practices and policies are compatible and consistent with the risk-management process defined by the Management Company and neither encourage the acceptance of risks that are incompatible with the risk profiles and the constitutional documents of the funds under its management nor prevent the Management Company from acting at its own discretion in the best interests of the Company.

The remuneration policies and practices include fixed and variable portions of salaries and potentially, voluntary pension benefits. The remuneration policies and practices apply to categories of employees, including senior management, risk bearers, employees with oversight functions and employees whose overall remuneration places them in the same income bracket as senior management and risk bearers, whose activities have a material influence on the risk profiles of the Management Company or the funds under its management.

The remuneration policies and practices are compatible with sound and effective risk management and are consistent with the business strategy, the objectives, values and interests of the Management Company and of the UCITS under its management and investors in such UCITS as well as with EU Level 2 Regulation. Compliance with the remuneration principles, including the implementation thereof, shall be verified once a year. The ratio between the fixed and variable portions of overall remuneration is appropriate. Performance fees are based on employees' qualifications and skills as well as their level of responsibility and contribution towards the Management Company's added value. The pension scheme is consistent with the business

strategy, the objectives, values and long-term interests of both the Management Company and the UCITS under its management. Details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, may be downloaded free of charge from the Management Company's website (www.purecapital.eu).

A hard copy will be made available free of charge to investors on request.

4. DOMICILIARY AGENT

Pursuant to a Domiciliary Service Agreement, the Management Company has been appointed as domiciliary agent of the Company (insofar as necessary the **"Domiciliary Agent"**).

5. INVESTMENT MANAGERS

For the definition of the investment policy and the day-to-day management of each of the Company's sub-funds, the board of directors of the Management Company may be assisted under its overall control and responsibility by one or several investment manager(s), it being understood that the Prospectus will be amended accordingly and will contain detailed information.

Pursuant to the Investment Management Agreement dated March 18, 2016, la Financière Constance Inc (the **"Investment Manager"**) has been appointed Investment Manager by the Management Company and is in charge of the investment management of the Company with regard to its choice of investments and the trend of its investment policy.

The Investment Manager is a company incorporated under the laws of Québec and regulated by the Québec *Autorité des Marchés Financier* as inter alia *gestionnaire de fonds d'investissement*, meaning that the Investment Manager is authorised to create, administer and manage investment funds.

As such the Investment Manager shall:

- provide all advice and recommendations as to the investments to be made,
- enter into contracts, buy, sell, exchange and deliver all Transferable Securities and any other assets,
- exercise, on behalf of the Company, all voting rights attaching to the Transferable Securities constituting the Company's assets.

The fees of the Investment Manager(s) as paid by the Company are described in the sub-fund's relevant data sheet under Appendix III.

In addition the Investment Manager may be entitled to receive a performance fee from the Company in accordance with the provision for each sub-fund, as described in the sub-fund's relevant data sheet under Appendix III.

The Investment Manager may be assisted, under its overall control and responsibility and with prior approval of the Management Company, by one or more Sub-Investment Manager(s) for each sub-fund.

The Investment Manager may be assisted, under its overall control and responsibility and at its own fees, by one or more Investment Advisor(s) for each sub-fund.

6. NOMINEES

The Company and the Management Company in their capacities as principal distributors (the **"Principal Distributor(s)"**), may decide to appoint distributors and local paying agents to act as nominees (hereinafter the **"Nominees"**). Nominees must be professionals of the financial sector, domiciled in countries in which financial intermediaries are subject to similar obligations of identification as those which are provided for

under Luxembourg law and under Section III 2. D. “Fight against money laundering” below. Such Nominees may be appointed for the purpose of assisting it in the distribution of the shares of the Company in the countries in which they are marketed. Certain distributors and local paying agents may not offer all of the sub-funds/ classes of shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their distributor or local paying agent for further details.

Nominee contracts will be signed between the Company or the Management Company, and the various distributors and/or local paying agents.

Copies of the various Nominee contracts, if any, are available to shareholders during normal office hours at the Management Company's registered office and at the registered office of the Company.

The shares of the Company may be subscribed directly at the head office of the Registrar Agent or through the intermediary of the Nominees in countries where the shares of the Company are distributed.

Nominees are banks or financial intermediaries that pertain to a regulated group headquartered in a FATF (Financial Action Task Force on Money Laundering) country. Such groups apply FATF provisions regarding money laundering issues to all their subsidiaries and affiliates.

A list of the Nominees, if any, shall be at disposal at the Management Company's and the Company's registered office.

7. SUPERVISION OF THE COMPANY'S TRANSACTIONS

The Company's annual accounts and reports are revised by KPMG Luxembourg 39, Avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg in its capacity as the Company's auditors (the “**Auditors**”).

III. THE SHARES

1. GENERAL PRINCIPLES

The Company's share capital is represented by the assets of its various sub-funds, each sub-fund having its own investment policy. Subscriptions are invested in the assets of the relevant sub-fund.

A. CLASSES OF SHARES

Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each sub-fund, one or several class(es) of shares, the assets of which will be commonly invested but subject to specific features which are defined hereunder for the different classes of shares such as, but not limited to, sales and/or redemption charge structures, currency structures, marketing target or hedging policies. Where different classes are issued within a sub-fund, the details of each class are described in the sub-fund's relevant data sheet under Appendix III. References herein to shares of a sub-fund should be construed as being to shares of a class of a sub-fund also, if the context so requires.

For the time being, within each sub-fund, the Company has decided to issue classes of shares as further described in the synthetic table under Appendix III C.

Should it become apparent that shares reserved to institutional investors within the meaning of article 174 of the 2010 Law, are held by individuals other than those authorised, the Board of Directors will have the said shares converted, at the cost of the relevant shareholder, into shares of another class, if available, or redeemed, at the cost of the relevant shareholder.

Before subscribing, investors are invited to check in each sub-fund's data sheet under Appendix III which classes of shares are available in each sub-fund. Any minimum initial subscription amount, minimum further

subscription amount and minimum holding amount, if any, are also mentioned in the list of sub-funds launched under Appendix III.C.

The shares will be issued at the subscription prices calculated on each Valuation Day mentioned under each sub-fund's relevant data sheet under Appendix III.

The assets of the various classes of a sub-fund are combined into one single portfolio.

The Company may, in the interests of the shareholders, split or consolidate the shares of any sub-fund or class.

The Company may open further sub-funds and thus create new shares of each class representing the assets of these sub-funds.

Any individual or corporate entity may acquire shares in the various sub-funds making up the net assets of the Company by following the procedures defined in this section.

The shares of each sub-fund are of no par value and carry no preferential subscription rights upon the issue of new shares. Each share carries one vote at the general meetings of shareholders, regardless of its Net Asset Value.

All shares in the Company must be fully paid up.

B. DIVIDENDS

Shares of each Class may be designated as either dividend shares or accumulation shares or both. It is the intention of the Directors that unless otherwise set aside as reserves, the profits attributable to each Class will be distributed by way of dividend in respect of dividend shares and rolled up and accumulated in respect of accumulation shares. Amounts accumulated in respect of each Class will be reflected in the Subscription Price and Redemption Price of accumulation shares..

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

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

C. REGISTERED SHARES

The shares of each sub-fund are, as determined by the Board of Directors, issued in registered form only.

D. FRACTIONS OF SHARES

Shareholders will receive confirmations of inscription in the Register, at the shareholder's requests.

Fractions of shares with up to 4 (four) decimal places will be rounded down and be issued as registered shares deposited directly with the Depositary.

Share transfer forms for the transfer of registered shares are available at the registered office of the Registrar Agent.

2. SHARE ISSUE AND SUBSCRIPTION PRICE

A. CONTINUOUS OFFERING

After the close of the Initial Offering Period (as stipulated in each sub-fund's relevant data sheet under Appendix III) each sub-fund's share may be subscribed at the registered office of the Registrar Agent on any Valuation Day as stipulated in each sub-fund's relevant data sheet under Appendix III at a price per share

equal to the Net Asset Value per share calculated on such relevant Valuation Day for the relevant sub-fund plus a maximum subscription fee (for the benefit of the distributor) in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III.

This subscription fee may be retroceded to the various financial intermediaries involved in the marketing of the shares.

Any investor requiring to invest in the Company may at any time and prior the Company's cutoff preceding the applicable Valuation Day request such subscription by sending a written instruction through its nominee to the Registrar Agent. Any instruction received within the Company's cutoff will be considered as irrevocable. The Board of Directors reserves the right to refuse any subscription received directly from the investor without acting through its nominee.

Any instruction must contain the following information: the exact name and address of the person making the subscription request and the amount or number of shares to be subscribed (subscriptions can be done in amount and in number of shares), the sub-fund to which such subscription applies as well as the share class concerned, and instruction of payments to be used in cases of future redemptions.

The Investor will have to make sure that the cash related to his investment is well wired to the given cash account details within 2 (two) Bank Business Days after the applicable Valuation day.

The Registrar Agent will only consider and accept to place and execute the investment under the condition that the complete subscription form is received prior to 10.00 a.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

Shall the subscription form be incomplete at reception by the Registrar Agent, the trade will not be placed and postponed to the next following applicable Valuation Day, applying the same above conditions.

The Board of Directors may, however, decide, at their sole discretion, to fix an earlier deadline for receipt of applications and payment. In such case, a signed decision has to be delivered to the Registrar Agent.

The Company reserves the right to reject any application in whole or in part. Details of the method of application for shares are set out in the application form. Application forms can be obtained from the registered office of the Registrar Agent. Investors may apply for shares by facsimile or letter at the registered office of the Registrar Agent. The Board of Directors may moreover reserve the right to discontinue without notice both the issue and the sale of the shares of the Company.

Payment must be made in the reference currency of the class of shares in accordance with the provisions described in the sub-fund's relevant data sheet under Appendix III. Shares will be allotted on receipt of the duly fulfilled application form.

The Board of Directors may, under its own responsibility and in accordance with this Prospectus accept subscriptions by way of *in specie* transfer of assets. In exercising its discretion, the Board of Directors will take into account the investment objective, philosophy and approach of the sub-fund and whether the proposed *in specie* assets comply with those criteria including the permitted investments of the sub-fund.

In order for shares in the Company to be issued further to an *in specie* subscription, the transfer of the legal ownership of the assets to Company must have been completed and the assets in question must have already been valued. In the specific case of an *in specie* transfer of shares or units of a UCITS or other UCI, shares will only be issued once the name of the Company has been entered into in the register of shareholders or unit holders of the relevant UCITS or other UCI and the shares or units of the UCITS or other UCI have been valued on the basis of the next net asset value to be calculated after the aforementioned entry.

For any *in specie* subscription, a valuation report will be drawn up by the Company's auditors giving in particular the quantity, denomination and method of valuation adopted for these assets. Such special audit report will also specify the total value of the assets expressed in the currency of the sub-fund concerned by this contribution. Upon receipt of that verification and a properly completed application form, the Registrar Agent will allot the requisite number of shares in the normal manner. The Board of Directors reserves the right to decline to register any person on the Register until the subscriber has been able to prove title to the assets in question. The subscriber shall be responsible for all custody and other costs involved in changing the

ownership of the relevant assets unless the Board of Directors otherwise agrees. The specific costs for such subscriptions *in specie*, in particular the cost of the said special audit report will be borne by the subscriber.

Taxes or brokerage fees that may be due on a subscription are paid by the subscriber. Under no circumstances may these costs exceed the maximum authorised by the laws, regulations and general banking practices of the countries in which the shares are acquired.

The Board of Directors has resolved to only accept shareholders' initial applications for ownership in any sub-fund class of shares for a minimum initial subscription amount stipulated in the list of sub-funds launched under Appendix III.

The Board of Directors may set for each sub-fund or class of shares different minimum initial subscription amounts, minimum further subscription amounts and minimum holding amounts, in accordance with the provision described in the list of sub-funds launched under Appendix III.

No shares will be issued by the Company in a sub-fund during any period when the calculation of the Net Asset Value per share of such sub-fund is suspended by the Board of Directors pursuant to the power reserved to it by the Articles of Incorporation and described under Section IV "Net Asset Value" hereafter. Notice of any such suspension shall be given to the persons having applied for subscription, and any application either presented or suspended along such suspension may be withdrawn by way of a written notice to be received by the Company prior to the termination of the relevant suspension which will inform the Registrar Agent. Unless so withdrawn, any application shall be taken into consideration on the first Valuation Day following such suspension.

The issue price of shares in the sub-fund is available at the registered office of the Company, of the Management Company and of the Administrative Agent.

B. REFUSAL OF SUBSCRIPTIONS

The Company may restrict or prevent the ownership of shares by any person, firm or company. More specifically, the Company has restricted the ownership of shares by nationals, citizens or residents of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction and by persons who are normally resident therein (including the estate of any such person or corporations or partnerships created or organised therein) (the "**United States Persons**"), and, where it appears to the Company that any person who is precluded from holding shares either alone or in conjunction with any other person is a beneficial owner of shares, the Company may compulsorily purchase all the shares so owned.

The Company does not allow market timing (defined as an arbitrage method through which an investor systematically subscribes and redeems or converts shares of the Company 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 Company).

Moreover, in any case of suspicion of such market timing practice, the Board of Directors reserves the right to:

- refuse any subscription;
- redeem at any time shares in the Company.

Such actions do not need to be justified.

C. FIGHT AGAINST MONEY LAUNDERING

The Company and the Administrative Agent shall at all times comply with any obligations imposed by any applicable laws, rules and regulations regarding the prevention of money laundering and terrorism financing and, in particular, with the law dated 12 November 2004 (the "**2004 Law**") and CSSF Circular 13/556 concerning the prevention of money laundering and terrorist financing activities, as they may be amended or revised from time to time.

Accordingly, the Company or the Administrative Agent may request information necessary to establish the identity and the profile of a prospective investor and the origin of funds supporting a subscription for Shares. Failure to provide such information may result in the Company rejecting an application.

In order to prevent money laundering, applications from investors must include a certified copy (by one of the following authorities: embassy, consulate, notary, police commissioner) of (i) the subscriber's identity card in the case of individuals, or (ii) the articles of incorporation and an extract of the register of commerce for corporate entities as well as their directors' (or any other person who may legally bind the company) identity cards or any other document that may be required under Luxembourg law in the following cases:

- direct subscription with the Administrative Agent;
- indirect subscription through a professional of the financial sector who is domiciled in a country that is not legally compelled to an identification procedure equal to the Luxembourg standards in the fight against laundering monies through the financial system; and
- Indirect subscription through a subsidiary or a branch of which the parent company would be subject to an identification procedure equivalent to the one required by Luxembourg law if the law or group policy applicable to the parent company does not compel it to see to the application of these measures by its subsidiaries or branches.

Moreover, the Administrative Agent is legally responsible for identifying the origin of funds transferred from banks not subject to an identification procedure equal to the one required by the Luxembourg law. Subscriptions may be temporarily suspended until such funds have been correctly identified.

It is generally admitted that professionals of the financial sector residing in

- a) a member state of the European Economic Area (EEA);
- b) of the European Union (EU); or
- c) in any other country which is deemed to impose equivalent requirements within the meaning of the 2004 Law,

are considered as being subject to an identification procedure equivalent to the one required by Luxembourg law.

3. REDEMPTION OF SHARES

Shareholders may place redemption orders every Bank Business Day for all or part of their shareholdings. Redemption requests, considered irrevocable, should be sent at the registered office of the Registrar Agent. Requests must contain the following information: the exact name and address of the person making the redemption request and the number of shares to be redeemed, the sub-fund to which such shares belong, as well as the class of shares and instruction of payments to be used in cases to credit the investor.

Provided the application together with any required documentation is received prior to 10.00 a.m., Luxembourg time, on the Bank Business Day in Luxembourg preceding the applicable Valuation Day, the shares will be redeemed based on the Net Asset Value per share applicable on the next Valuation Day. If received thereafter, the application will be deferred to the following Valuation Day.

The Board of Directors may, however, decide, at their sole discretion, to fix an earlier deadline for receipt of applications.

A redemption fee (for the benefit of the relevant class) at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III may be deducted from this amount.

The redemption value may be higher than, equal to, or lower than the initial purchase price.

The redemption proceeds will normally be paid within four (4) Bank Business Days after the relevant Valuation Day by bank transfer.

Redemption orders will not actually be processed, and the redemption proceeds will not actually be paid until the redemption form for registered shares has been received.

Neither the Board of Directors, nor the Registrar Agent will be held responsible for any lack of payment of whatever form resulting from the application of possible exchange controls or other circumstances beyond its/their control which may limit or render impossible the transfer of the redemption proceeds to other countries.

In relation to an application for redemption, or transfer of shares, the Company and/or Registrar Agent may require at any time such documentation as it/they deem appropriate. Failure to provide such information in a form which is satisfactory to the Company and/or Registrar Agent may result in an application for redemption or transfer not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of shares, then such payment may not proceed.

No third party payments will be made.

In addition to the suspension of the issue of shares, a suspension of the calculation of the Net Asset Value of a sub-fund entails also the suspension of redemptions of that sub-fund as set out in Section IV: 2. below. Any suspension of redemptions will be notified in accordance with Section IV "Net Asset Value" by all appropriate means to the shareholders having presented their requests, the execution of which has been differed or suspended. The Board of Directors may decide to delay the payment of redemption proceeds, in circumstances where the Company is unable to repatriate cash proceeds or during any period where the calculation of the Net Asset Value has been suspended.

The payment of redemption proceeds that has been delayed will occur as soon as reasonably practicable after the Valuation Day.

If the total net redemption requests received for one sub-fund or one class on any Valuation Day exceed 10% of the Net Asset Value thereof, the redemption requests presented may be reduced and differed proportionally so as to reduce the number of shares redeemed on such day to 10% of the Net Asset Value of the sub-fund or class in question. Any redemption request thus differed will have priority over the redemption requests received on the following Valuation Day, but always subject to the limit of 10% mentioned above.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

Redemption in specie

The Board of Directors may at the request of a shareholder elect to satisfy a redemption in whole or in part by way of the transfer *in specie* of assets of the Company. The Board of Directors will ensure that the transfer of assets *in specie* in cases of such redemptions will not be detrimental to the remaining shareholders of the Company by pro-rating the redemption *in specie* as far as possible across the entire portfolio of securities. Such *in specie* redemptions will be subject to a special audit report confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be transferred in counterpart of the redeemed shares. This audit report will also confirm the way of determining the value of the assets which will have to be identical to the procedure for determining the Net Asset Value of the shares. The specific costs for such redemptions *in specie*, in particular the cost of the special audit report will be borne by the redeeming shareholder.

4. CONVERSION OF SHARES

A conversion can be analyzed as a simultaneous transaction of redemption and subscription of shares.

Consequently, such a transaction may only be processed on the first Valuation Day on which both the Net Asset Values of the sub-funds involved in the said transaction are calculated.

Shareholders of one class in a sub-fund may request at any time the conversion of all or part of their holdings into shares of another class in the same or another sub-fund. Only institutional investors within the meaning of article 174 of the 2010 Law may convert their shares into a class that is reserved to institutional investors.

In converting shares of a sub-fund into shares of another class or sub-fund, a shareholder must meet the applicable minimum initial subscription amount requirements of this class or sub-fund, if any. If, as a result of any request for conversion, the number of shares held by any shareholder in a sub-fund or class would fall below the value of minimum initial subscription amount indicated in the old sub-fund, the Company may treat such request as a request to convert the entire shareholding of such shareholder. In addition, the shareholder must comply with the minimum holding requirements, if any, with respect to the new sub-fund, as stipulated in the list of sub-funds launched under Appendix III.

The Board of Directors may, however, decide to fix an earlier deadline for receipt of applications if they consider that as a result of large market fluctuations this is necessary to protect the Company and its shareholders.

The conversion proceeds will normally be settled within 5 (five) Bank Business Days after the relevant Valuation Day.

Subject to a suspension of the calculation of the Net Asset Value, shares may be converted on any Valuation Day following receipt of the conversion request, by reference to the Net Asset Value of the shares of the sub-funds concerned as established on such Valuation Day.

The rate at which all or part of the holding of a given sub-fund or class (the "**Original Sub-Fund**") is converted into shares of another sub-fund or class (the "**New Sub-Fund**") is determined as precisely as possible in accordance with the following formula:

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

- A being the number of shares of the New Sub-Fund to be attributed;
- B being the number of shares of the Original Sub-Fund to be converted;
- C being the prevailing Net Asset Value per share of the Original Sub-Fund on the day in question;
- D being the prevailing Net Asset Value per share of the New Sub-Fund on the day in question; and
- E being the exchange rate applicable at the time of the transaction between the currency of the sub-fund to be converted and the currency of the sub-fund to be attributed;
- F being a conversion fee payable to the original sub-fund, at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III.

A conversion fee (for the benefit of the original class) at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III may be deducted from the prevailing Net Asset Value per share of the Original Sub-Fund used for the conversion. This maximum rate should be the same applicable rate for all the conversion order executed on the same Valuation Day.

After conversion, the Registrar Agent will inform the shareholders of the number of shares obtained of the new sub-fund and their cost.

In converting shares of a sub-fund into shares of another class or sub-fund, a shareholder must meet the applicable minimum initial subscription amount requirements of this class or sub-fund, if any.

If, as a result of any request for conversion, the number of shares held by any shareholder in a sub-fund or class would fall below the value of minimum initial subscription amount indicated in the old sub-fund, the Company may treat such request as a request to convert the entire shareholding of such shareholder. In addition, the shareholder must comply with the minimum holding requirements, if any, with respect to the new sub-fund, as stipulated in the list of sub-funds launched under Appendix III.C.

No conversion of shares may be carried out whenever the calculation of the Net Asset Value of one of the sub-funds involved in the conversion operation is suspended.

Any suspension of conversions will be notified in accordance with Section IV “Net Asset Value” by all appropriate means to the shareholders having presented their requests, the execution of which has been differed or suspended.

Prevention of Market Timing and Late Trading practices

The Company does not allow investments which are associated with late trading or market timing practices, as such practices may adversely affect the interests of the shareholders.

Market Timing

In general, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts 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.

Accordingly, the Board of Directors may, whenever it deems it appropriate, cause the Registrar Agent to reject an application for subscription and/or conversion of shares from investors whom the Board of Directors consider to be market timers and may, if necessary, take appropriate measures in order to protect the interests of the other investors. For these purposes, the Board of Directors may consider an investor's trading history and the Registrar Agent may combine shares which are under common ownership or control.

Moreover, the Board of Directors may impose a penalty fee of 2% of the Net Asset Value of the shares redeemed or converted where the redemption or conversion request is made within 10 (ten) Bank Business Days after the subscription of the same shares and the Board of Directors reasonably believes that an investor has engaged in market timing activity. The penalty shall be credited to the relevant sub-fund.

Late Trading

In general, 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.

In order to avoid late trading, subscription, conversion and redemption requests will be dealt with at an unknown Net Asset Value.

5. STOCK EXCHANGE LISTING

The Board of Directors may decide to list the shares of each sub-fund or classes, as and when issued, on the Luxembourg Stock Exchange.

IV. NET ASSET VALUE

1. GENERAL PRINCIPLES

A. DEFINITION AND CALCULATION OF THE NET ASSET VALUE

The Net Asset Value per share of each sub-fund and class of shares of the Company is calculated in Luxembourg by the Administrative Agent, under the responsibility of the Management Company, as of each Valuation Day the day following each Valuation Day, on a frequency as defined in the sub-funds' relevant data sheets under Appendix III, provided such day is a Bank Business Day.

The Net Asset Values are expressed in the sub-fund's and class' respective reference currency, as stated in the list of sub-funds launched under Appendix III.

The value of the shares of each sub-fund and class is obtained by dividing the Net Asset Value of the assets of the sub-fund and class considered by the number of outstanding shares of these sub-funds and classes.

If the Board of Directors considers that the Net Asset Value calculated on a given Valuation Day is not representative of the true value of the Company's shares, or if, since the calculation of the Net Asset Value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may decide to actualise the Net Asset Value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the actualised Net Asset Value with due care and good faith.

B. DEFINITION OF THE PORTFOLIOS OF ASSETS

The Board of Directors will establish a distinct portfolio of net assets for each sub-fund.

In order to establish these different portfolios of net assets:

1. the proceeds resulting from the issue of the shares of a class of a given sub-fund will be attributed in the Company's accounts to the relevant class of this sub-fund and the assets, liabilities, income and expenses relating to this sub-fund/ class will also be attributed thereto;
2. the assets, liabilities, income and expenses relating to this sub-fund will also be attributed thereto;
3. where any asset derives from another asset, such derivative asset will be applied in the books of the Company to the same sub-fund from which it was derived, and on each subsequent revaluation of an asset, the increase or decrease in value will be attributed to the sub-fund to which it belongs;
4. if the Company has to bear a liability which is connected with an asset of a particular sub-fund with a transaction carried out in relation to an asset of a particular sub-fund, this liability will be attributed to that particular sub-fund (for example: hedging transactions); and
5. in the case where any asset or liability of the Company cannot be considered as being attributable to a particular class of shares, such asset or liability shall be allocated to all the classes of shares pro rata to their respective Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith. With reference to the relations between shareholders and third parties, each sub-fund and class of shares will be treated as a separate entity.

C. VALUATION OF ASSETS

The assets of each sub-fund of the Company will be valued in accordance with the following principles:

- 1 The value of any cash at hand or on deposit, bills, demand notes and accounts receivable, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets, except if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of the assets.
- 2 The value of Transferable Securities, Money Market Instruments and/or financial derivative instruments listed on an official Stock Exchange or dealt in on a regulated market which operates regularly and is recognised and open to the public (a "**Regulated Market(s)**"), as defined by laws and regulations in force, is based on the latest available price and if such Transferable Securities are dealt in on several markets, on the basis of the latest known price on the stock exchange which is normally the principal market for such securities. If the latest known price is not representative, the value shall be determined based on a reasonably foreseeable sales price to be determined prudently and in good faith.
- 3 In the event that any Transferable Securities or/and Money Market Instruments are not listed or dealt in on any stock exchange or any other Regulated Market operating regularly, recognised and open to the public, as defined by the laws and regulations in force, the value of such assets shall be assessed on the basis of their foreseeable sales price estimated prudently and in good faith.

- 4 The liquidating value of derivative contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined by the Board of Directors in a fair and reasonable manner, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward and options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
- 5 The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 (twelve) months and of more than 90 (ninety) days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 (ninety) days or less will be valued by the amortised cost method, which approximates market value.
- 6 Units of UCITS and/or other UCI will be valued at their last determined and available Net Asset Value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.
- 7 All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

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 rates last quoted by major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, at its sole discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

Every other asset shall be assessed on the basis of the foreseeable realisation value which shall be estimated prudently and in good faith.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of its assets.

All and any assets not expressed in the currency of the sub-fund to which they belong shall be converted into the currency of that sub-fund at the exchange rate applying on the concerned Bank Business Day or at such exchange rate as may be agreed in the relevant forward contracts.

The value of the net assets per share of each class, as well as their issue, redemption and conversion prices shall be made available at the registered office of the Company every Bank Business Day.

Adequate deductions will be made for expenses to be borne by the Company and account will be taken of the Company's liabilities according to fair and prudent criteria. Adequate provisions will be made for the expenses to be borne by the Company and account may be taken of the Company's off balance sheet liabilities according to fair and prudent criteria.

2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE, OF ISSUES, CONVERSIONS AND REDEMPTIONS OF SHARES

- A. The Board of Directors is authorised to suspend temporarily the calculation of the Net Asset Value of the assets of one or more sub-fund(s) or class(es) of the Company and the Net Asset Value per share of

such sub-fund(s) or class(es), as well as the issue, redemption and conversion of the shares of these sub-funds or classes, in the following cases:

- a) when any of the principal stock exchanges, on which a substantial portion of the assets of one or more sub-funds of the Company is quoted, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
 - b) when the market of a currency, in which a substantial portion of the assets of one or more sub-fund(s) or class(es) of the Company is denominated, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
 - c) when any breakdown arises in the means of communication normally employed in determining the value of the assets of one or more sub-fund(s) or class(es) of the Company or when for whatever reason the value of one of the Company's investments cannot be rapidly and accurately determined;
 - d) when exchange restrictions or restrictions on the transfer of capital render the execution of transactions on behalf of the Company impossible, or when purchases or sales made on behalf of the Company cannot be carried out at normal exchange rates;
 - e) when political, economic, military, monetary or fiscal circumstances which are beyond the control, responsibility and influence of the Company prevent the Company from disposing of the assets, or from determining the Net Asset Value, of one or more sub-fund(s) or class(es) of the Company in a normal and reasonable manner;
 - f) as a consequence of any decision to liquidate or dissolve the Company or one or several sub-fund(s);
 - g) any other circumstances beyond the control of the Board of Directors as determined by the directors in their discretion.
1. Any suspension of the calculation of the Net Asset Value of the shares of one or more sub-fund(s) or class(es) will be announced by all appropriate means, and in particular by publication, if appropriate, in the newspapers in which these values are usually published. The Company will inform the shareholders having requested the subscription, redemption or conversion of the shares of these sub-funds or classes of any suspension of calculation in the appropriate manner.

Such suspension with regard to any sub-fund or classes of shares shall have no effect on the calculation of the Net Asset Value of another sub-fund or class.

During the suspension period, shareholders may cancel any subscription, redemption or conversion orders they have placed. If orders are not cancelled, shares will be issued, redeemed or converted on the basis of the first Net Asset Value calculated after the suspension period.

2. In exceptional circumstances which may be detrimental to the shareholders' interests (for example large numbers of redemption, subscription or conversion requests, strong volatility on one or more market(s) in which the sub-fund(s) or class(es) is (are) invested, the Board of Directors reserves the right to postpone the determination of the value of this (these) sub-fund(s) or class(es) until the disappearance of these exceptional circumstances and, if the case arises, until any essential sales of securities on behalf of the Company have been completed.

In such cases, subscriptions, redemption requests and conversions of shares, which were suspended simultaneously, will be satisfied on the basis of the first Net Asset Value calculated thereafter.

V. CHARGES AND EXPENSES

1. FEES TO BE BORNE BY THE COMPANY

The following costs will be charged to the Company:

- costs incurred in connection with the formation of the Company, including the cost of services rendered in the incorporation of the Company and in obtaining approval by the competent authorities;

- remuneration of the Investment Manager, the Depositary, the Paying Agent, the Registrar Agent, the Administrative Agent and, the Management Company and, if any, the remuneration of correspondents;
- Administrative Agent and Domiciliary Agent fees;
- expenses for legal and other professional services relating to the management of the Company and its sub-funds;
- Auditors' costs and audit fees;
- remuneration of the directors and reimbursement of their reasonable expenses, if any;
- costs of printing and publishing information for the shareholders and in particular the costs of printing and distributing the periodic reports, as well as the Prospectuses, brochures and other marketing material;
- brokerage fees and any other fees arising from transactions involving securities in the Company's portfolio;
- all taxes and duties which may be payable on the Company's income;
- the annual registration fee (cf. Section VII 1), as well as taxes or other fees payable to the supervisory authorities and costs relating to the distribution of dividends;
- extraordinary expenses, in particular those relating to the consultation of experts or other such proceedings as may protect the shareholders' interests;
- annual fees payable for stock exchange listing, if any;
- subscriptions to professional associations and other organisations in Luxembourg, which the Company will decide to join in its own interest and in that of its shareholders; and
- risk and compliance management and fund reports.

The Company will pay to the Depositary, the Administrative Agent and the Registrar Agent a maximum annual fee of 0.3% based on the total net assets of the Company, which is payable on a monthly basis and which does not include any transaction related fees and costs of sub-Depositaries or similar agents. The Depositary, the Administrative Agent as well as the Registrar Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate. The amount paid by the Company to the Depositary, the Administrative Agent and the Registrar Agent will be mentioned in the annual report of the Company. Investors may consult the relevant agreements during usual business hours at the registered office of the Company.

In addition, any reasonable disbursements and out-of-pocket expenses, including telephone, telex, facsimile, electronic transmission and postage expenses etc. incurred by the Management Company, the Depositary, the Administrative Agent, the Registrar Agent or the Domiciliary Agent within the framework of their mandates, as well as correspondents' costs, will be borne by the relevant sub-fund of the Company. In its capacity as Paying Agent, the Depositary may charge the usual fee charged in the Grand Duchy of Luxembourg.

Under the terms of the agreement entered into by the Company and the Management Company, the Company will pay fees appearing in each sub-fund's relevant data sheet under Appendix III.

All recurring general costs will be charged first against investment income, then, should this not be sufficient, against realised capital gains.

Costs related to the establishment of any new sub-fund will be borne by such new sub-fund and amortised over a period of 1 (one) year from the date of establishment of such sub-fund or over any other period as the Board of Directors may determine, with a maximum of 5 (five) years starting on the date of the sub-fund's establishment.

When a sub-fund is liquidated, any setting-up costs that have not yet been amortised will be charged to the sub-fund being liquidated.

All these expenses will be accrued in each sub fund at each net asset value calculation.

2. FEES TO BE BORNE BY THE SHAREHOLDER

The fees paid by shareholders are described in each relevant sub-fund's data sheet under Appendix III.

VI. TAX STATUS - APPLICABLE LAW - OFFICIAL LANGUAGE

1. TAX STATUS

A. TAXATION OF THE COMPANY

The Company is governed by Luxembourg tax laws.

Under current law and practice, the Company is liable, at the date of this prospectus, to an annual subscription tax of 0.05% (except those sub-funds or share classes, which may benefit from the lower rate of 0.01% as more fully described in article 174 of the 2010 Law). No such tax is due on the portion of the assets of the Company invested in other Luxembourg UCITS or UCIs (if any) provided that such assets have already been subject to the subscription tax. This tax is payable quarterly and calculated on the basis of the Company's net assets at the end of the relevant quarter.

No duty or other tax will be paid in Luxembourg on the issue of shares of the Company except for a fixed registration duty of EUR 75 (seventy-five Euros) paid by the Company payable at the time of incorporation.

Income received by the Company may be liable to withholding taxes in the country of origin and is thus collected by the Company after deduction of such tax. This is neither chargeable nor recoverable.

B. TAXATION OF THE SHAREHOLDERS OF THE COMPANY

Under the present system, neither the Company, nor its shareholders (with the exception of individuals or corporate entities residing in the Grand Duchy of Luxembourg or non-residents and former residents holding more than 10% of the issued share capital of a sub-fund) are subject in Luxembourg to any taxation of or withholding on their income, on realised or unrealised capital gains, on transfers of shares for cause of death or on amounts received subsequent to dissolution.

Potential shareholders are advised to make inquiries and, if necessary, to take advice on the subject of the laws and rulings (such as those concerning taxation and exchange control) which apply to the subscription, purchase, holding and disposal of shares in their country of origin, residence and/or domicile.

However the attention of the shareholders is drawn on the fact that according to the Luxembourg law dated 21st June 2005, introducing the EU Directive 2003/48/EEC dated 3rd June 2003 on the taxation of savings paid under the form of interest, a withholding tax may be levied on any interest payment arising from savings (hereinafter referred to as the "**Income**"). A Luxembourg based paying agent shall levy this withholding tax on behalf of the economical beneficiaries, provided these economical beneficiaries are individuals who are tax resident in a Member State other than Luxembourg. Should the Luxembourg based paying agent not be allowed to disclose information in order to identify the relevant economical beneficiary of the Income, a withholding tax shall thus be levied at a rate of 35% as from 1st July 2011.

C. AUTOMATIC EXCHANGE OF INFORMATION

Following the development by the Organisation for Economic Co-operation and Development ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the

Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOI.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement (the "Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-EU member states: it requires agreements on country-by country basis.

Investors in the Company may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

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

D. FOREIGN ACCOUNT TAX COMPLIANCE ("FATCA")

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act ("**HIRE**") generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends ("**Withholdable Payments**"). As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service ("IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement with the U.S. As a result, no withholding tax should be applied to payments received by the Company. The Company will instead be required, in certain circumstances, to provide information to the Luxembourg authorities about the identity of investors and any amounts paid to investors. The Luxembourg authorities will in turn share the information with the U.S. authorities. This information sharing may in the future be expanded to cover other jurisdictions. The application of the recently enacted U.S. withholding tax and reporting regime is unclear and could be subject to further clarification from the U.S. Treasury Department, the IRS and/or the Luxembourg tax authorities. Accordingly the Company will reassess its position in relation thereto from time to time.

Investors who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

2. APPLICABLE LAW

Any disputes between shareholders and the Company will be settled in accordance with Luxembourg law.

3. OFFICIAL LANGUAGE

The official language of this Prospectus and of the Articles of Incorporation is English. However, the Board of Directors and the Management Company may, personally and on behalf of the Company, consider that these documents must be translated into the languages of the countries in which the shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus is translated, the English text will prevail.

VII. FINANCIAL YEAR - MEETINGS - REPORTS

1. FINANCIAL YEAR

The financial year of the Company starts each year on 1st July and ends on the last day of June of each year. The first financial year begins on the date of the launch of the Company and ends on 30th June 2016.

2. MEETINGS

The annual general meeting of shareholders will be held in Luxembourg, at the registered office of the Company or at any other place in the municipality of the registered office of the Company which will be specified in the convening notice to the meeting, on the second Thursday in the month of October at 4:00 p.m. (CET). If this day is not a Bank Business Day, the annual general meeting will be held on the next following Bank Business Day. Shareholders will meet upon the call of the Board of Directors in accordance with the provisions of Luxembourg law.

3. PERIODIC REPORTS

Annual reports as at the last day of June, certified by the Auditors, and for the first time on 2016 and unaudited semi-annual reports as at last day of December, and for the first time on 2016 are available to shareholders free of charge.

The Company is authorised to publish an abridged version of the financial reports. However, a complete version of the financial reports may be obtained free of charge at the registered office of the Company, or the Management Company, as well as from the establishments designated by the Company. These reports will contain information concerning each sub-fund as well as the assets of the Company as a whole.

The financial statements of each sub-fund are expressed in its respective reference currency, whereas the consolidated accounts will be expressed in Euro.

The annual reports, which are made available within 4 (four) months after the end of the financial year, as well as the semi-annual reports, which are made public within 2 (two) months after the end of the half-year, are held at the shareholders' disposal at the registered office of the Company and of the Management Company.

VIII. LIQUIDATION OF THE COMPANY - MERGER OF SUB-FUNDS OR CLASSES

1. LIQUIDATION OF THE COMPANY

The Company will be liquidated in accordance with the provisions of the 2010 Law.

A. MINIMUM ASSETS

If the share capital of the Company falls below two thirds of the required minimum, the Board of Directors must submit the question of the Company's dissolution to a general meeting of shareholders for which no quorum will be prescribed and which will decide by a simple majority of the shares represented at the meeting.

If the share capital of the Company falls below one quarter of the required minimum, the Board of Directors must submit the question of the Company's dissolution to the general meeting of shareholders for which no quorum will be prescribed; dissolution may be decided by the shareholders holding one quarter of the shares represented at the meeting.

The meeting will be convened so as to be held within 40 (forty) days from the date on which the net assets are recorded as having fallen below either two thirds or one quarter of the legal minimum.

Moreover, the Company may be dissolved by a decision of a general meeting of shareholders ruling in accordance with the relevant statutory provisions.

B. VOLUNTARY LIQUIDATION

In case the Company is dissolved, its liquidation will be carried out by one or more liquidators appointed in accordance with the Articles of Incorporation and with the 2010 Law, which specifies the manner in which the net proceeds of liquidation, after deduction of expenses, is to be distributed amongst the shareholders.

Amounts that have not been distributed by the close of the liquidation procedure will be consigned to the "*Caisse de Consignation*" in Luxembourg for the duration of the limitation period in favour of the shareholders entitled thereto.

Shares will cease to be issued, redeemed and converted as soon as the decision to dissolve the Company is taken.

2. CLOSURE AND MERGER OF SUB-FUNDS OR CLASSES

A. CLOSURE OF SUB-FUNDS OR CLASSES

If the assets of any one sub-fund or class fall below a level at which the Board of Directors considers that its management may not be easily ensured or in the event of changes taking place in the economic and/or political environment, the Board of Directors may decide to close this sub-fund or class. The Board of Directors may also decide to close sub-funds or classes within the framework of down-sizing the range of products offered to clients.

A notice relating to the closure of the sub-fund or class will be sent to the shareholders of the sub-fund or class concerned. The shareholders will have the possibility to redeem their shares free of charge.

Barring contrary decision on the part of the Board of Directors, the Company may, prior to the implementation of the liquidation, pursue its redemption of the shares of the relevant sub-fund or class to be liquidated. The Company shall, with regard to such redemption, carry out computation on the basis of the Net Asset Value to be determined so as to take into account of the costs of liquidation, but without any deduction of a

redemption commission or any other deduction. Establishment expenses shall be wholly written off as of the decision to liquidate is reached.

The net assets of the sub-fund or class concerned will be divided amongst the remaining shareholders of the sub-fund or class. Amounts which have not been distributed by the closure of the liquidation procedure of the sub-fund will be deposited in escrow at the "*Caisse de Consignation*" in Luxembourg for the limitation period in favour of the shareholders entitled thereto.

The annual report relating to the financial year along which the decision to liquidate has been taken shall expressly state such decision and supply details regarding the implementation of liquidation operations.

B. MERGER AND DIVISION OF SUB-FUNDS OR CLASSES

If the assets of any one sub-fund or class fall below a level at which the Board of Directors considers that its management may not be easily ensured or in the event of changes taking place in the economic and/or political environment, the Board of Directors may decide to contribute that sub-fund or class to one or several other sub-fund(s) or class(es) of the Company.

In any circumstances whatsoever, the Board of Directors may decide to contribute one sub-fund or class or to transfer the assets and liabilities of a sub-fund or class to another UCI that was created according to Part I of the 2010 Law. Such a merger will be proposed and decided in accordance with the Articles of Incorporation.

A notice relating to the merger of the sub-fund or class will be sent to the shareholders of the sub-fund or class concerned.

In the case of a merger with another UCI of the contractual type (FCP), the merger will only bind the shareholders of the sub-fund or class concerned, who have expressly approved the merger.

In the event that the Board of Directors believes it is required for the interests of the shareholders of the relevant sub-fund or that a change in the economic or political situation relating to the sub-fund concerned has occurred which would justify it, the reorganisation of one sub-fund or class, by means of a division into two or more sub-funds or classes, may be decided by the Board of Directors.

A notice relating to the merger or division of the sub-fund or class will be sent to the shareholders of the sub-fund or class concerned. The shareholders will have the possibility to redeem their shares free of charge. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

The Company's auditors will produce a report on the merger.

These mergers may be justified by various economic circumstances.

Any amounts remaining as a result of mergers of sub-funds or classes will be treated in the same manner as for subscriptions or conversions.

IX. CONFLICTS OF INTEREST

Relations with third parties

The Investment Manager, the Management Company and other affiliated companies may from time to time act as investment manager or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Investment Manager, the Management Company and other affiliated companies may, in the course of their business, have potential conflicts of interest with the Company.

In the event that any conflict of interest actually arises, the Board of Directors, the Management Company and/or the Investment Manager will ensure that such conflict is resolved fairly and in the best interests of the Company and of the shareholders.

The Company may also invest in other investment funds which are managed by the Management Company, the Investment Manager or any of their affiliated companies. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Company could result in conflicts.

In the event that such a conflict arises, the directors of the Management Company and the Board of Directors will ensure that it is resolved in a fair manner and in the best interests of the Company and of the shareholders.

Management of the Company

The Management Company, Investment Manager and physical persons in charge of the investments of the Company are all part of the same entity (the “**Affiliated Person**”). As a result, there may be conflicts of interest between the various activities of these persons and their duties and obligations to the Company.

The Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interest and, when they cannot be avoided, ensure that its clients (including the Company) are fairly treated.

The Company is not prohibited to enter into any transactions with the Affiliated Person, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm’s length.

Moreover, the Affiliated Person are not prohibited to purchase or to provide advice to purchase any products on behalf of the Company where the Affiliated Person is interested in the transaction provided that such transactions are carried out in the best interest of the Company and its shareholders as if effected on normal commercial terms negotiated at arm’s length.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Company. The Affiliated Person could hold a relatively large proportion of shares in the Company.

Employees and directors of the Affiliated Person may hold shares in the Company. Employees of the Affiliated Person are bound by the terms of the respective policy on personal transactions and conflicts of interest applicable to them.

In the conduct of its business the Management Company and the Affiliated Person’s policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons’ various business activities and the Company or its investors. The Affiliated Person strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, they have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Such procedures include, but are not limited to the following:

- Procedure to ensure that any voting rights attached to the Company’s assets are exercised in the sole interests of the Company and its investors: in the event any Director or officer of the Company may have in any transaction of the Company an interest conflicting with the interests of the Company, such Director or officer shall make known to the Board such conflicting interest and shall not consider or vote on any such transaction, and such transaction and such Director’s or officer’s interest therein shall be reported at the next succeeding general meeting of Shareholders. These rules do not apply when the Board votes on transactions which are concluded in the ordinary course of business at arm’s length;
- Procedures to ensure that any investment activities on behalf of the Company are executed in accordance with the highest ethical standards and in the interests of the Company and its investors: the Affiliated Persons shall at all times adhere strictly to the terms and conditions of the Company’s investment objectives and policy. Moreover, when the Company makes an investment in any other

open-ended investment company or unit trust managed by an Affiliated Person or in which an Affiliated Person may have an economic interest, no charge will be payable by the Company and the Management Company will charge only the fee mentioned in the Prospectus and no subscription or redemption fee may be charged to the relevant Sub-Fund for its investment in the units/shares of such investment funds. The directors of the Company will in the event any conflict of interest actually arises endeavour to ensure that such conflict is resolved fairly and in the best interests of the Company.

- Procedure on management of conflicts of interest of the Management Company: such procedures are available upon demand at the registered office of the Management Company.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented.

In such case these non-neutralized conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner or employees and directors of the Affiliated Person will abstain from participating to the decisions taken in the name of the Company by its Board of Directors.

The manual relating to the procedures of management of the conflict of interests is available at the registered office of the Fund for more information and conflicts of interest regarding the management of the company are systematically reported to the shareholders.

X. DATA PROTECTION

In accordance with the General Data Protection Regulation (697/2016/EU) (the “**GDPR**”) and applicable Luxembourgish data protection legislation, the Company being a data controller may collect, store and process by electronic or other means the data supplied by shareholders (or, to the extent that they are non-natural persons, that of their directors, officers, employees, intermediaries and/or beneficial owners) at the time of their subscription (“**Personal Data**”). Personal Data will be used by the Company for recording, maintaining, storing and using recordings of telephone calls and electronic communications that you make to and receive from the Company, the Service Providers and their delegates or duly appointed agents and any of their respective related, associated or affiliated companies for any matters related to investment in the Company, dispute resolution, record keeping, security and/or training purposes, shareholder transactions and dividends, and complying with its legal, tax and regulatory obligations.

The Company may disclose or delegate the processing of Personal Data to various third parties located either in the EU or in countries outside the EU including but not limited to the Management Company, the Depositary Agent, the Administrative Agent, the Registrar Agent and the Nominees, the Investment Managers and Advisors, the Global Distributor together with local paying agents and any sub-distributors that may be appointed from time to time.

In certain circumstances, the Depositary and the Administrator may use your personal data where this is necessary for compliance with a legal obligation to which they are directly subject (i.e. to comply with applicable law in the area of anti-money laundering and counter terrorist financing or where mandated by a court order or regulatory sanction). The Depositary and the Administrator, in respect of this specific use of personal data, each act as data controllers. In such circumstances, all rights afforded to shareholders as data subjects under the GDPR shall be solely exercisable against the Depositary and the Administrator.

Your data may be transferred to, stored at, and processed at a destination outside the European Economic Area by our service providers. Communication of Personal Data in countries outside the EU implies the transfer of data to a country that may not provide legal protection of Personal Data equivalent to that of Luxembourg. By submitting your personal data, you agree to this transfer, storing or processing. We will take all steps reasonably necessary to ensure that your data is treated securely and in accordance with the GDPR or other relevant laws.

The shareholder has a right to access and correct its Personal Data, in case of error, upon request to the Management Company or at the registered office of the Company. The Company will maintain Personal Data for such periods as may be required by law.

The data processing is more fully detailed in any initial relationship document executed by the shareholders (i.e. the application form). By the subscription or repurchase of share, the shareholder accepts that the entries in the Register may be used by the Investment Manager, distributors, or other Company service providers for the purpose of shareholder servicing.

XI. INFORMATION - DOCUMENTS AVAILABLE TO THE PUBLIC

1. INFORMATION FOR SHAREHOLDERS

Net Asset Value

The Net Asset Values of the shares of each sub-fund will be available on each Bank Business Day at the registered office of the Company, and of the Administrative Agent. The Board of Directors may subsequently decide to publish these net values in newspapers of the countries in which the shares of the Company are offered or sold.

Issue and redemption prices

The issue and redemption prices of the shares of each sub-fund of the Company are made public on each Valuation Day at the offices of the Administrative Agent.

Notices to shareholders

Notices to shareholders will be sent at their attention at their address as indicated in the shareholder register and shall be made available at the registered office of the Company, free of charge. Furthermore, they may be published in Luxembourg and in the countries where the Company is marketed as well as in the *Mémorial* if such publications are required by the applicable law or by the Articles of Incorporation.

Material contracts

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

- the Depositary and Paying Agent Agreement dated March 18, 2016 between the Company and SGBT;
- the Administrative Agent Agreement dated March 18, 2016 between the Management Company, the Company and SGBT;
- the Register and Transfer Agent Agreement dated March 18, 2016 between the Management Company, the Company and SGBT; and
- the Management Company Services Agreement dated March 18, 2016 between the Management Company and the Company.

Rights of Investors

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

2. DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of the Articles of Incorporation, of the latest annual and semi-annual reports of the Company and of the material contracts referred to above are available for inspection at the registered office of the Company and of the Management Company where a copy may be obtained free of charge.

Subscription forms may be obtained upon request at the registered office of the Registrar Agent.

XII. SPECIAL CONSIDERATION ON RISKS

With regard to each sub-fund, future investors are recommended to consult their professional advisors to evaluate the suitability of an investment in a specific sub-fund, in view of their personal financial situation.

The number and allocation of portfolio assets in each sub-fund should reduce the sub-fund's sensitivity to risks associated with a particular investment. Nevertheless, potential investors should be aware of the fact that there can be no assurance that their initial investment will be preserved.

Past performance is not indicative of future results. Each sub-fund is subject to the risk of common stock investment. The price of the shares and the income from them may fall as well as rise. There can be no assurance that each sub-fund will achieve its objectives. There is no guarantee that investors will recover the total amount initially invested.

In addition, future investors should give careful consideration to the following risks linked to an investment in certain sub-funds and to the specific risks for each sub-fund in accordance with the respective provisions described in the sub-fund's relevant data sheet under Appendix III:

Acceptable markets

Some markets, on which securities are listed, may not qualify as acceptable markets under Article 41(1) of the 2010 Law. Investments in securities on these markets will be considered as investments in unlisted securities.

Risk of limited trading volume

Trading volumes of emerging country stock exchanges can be considerably lower than in leading world exchanges. The resulting lack of liquidity may adversely affect the price at which the securities held by a sub-fund can be sold.

Accounting and statutory standards

It may occur in some countries, where a sub-fund may potentially invest, that standards of accountancy, auditing and reporting are less strict than the standards applicable in more developed countries and that investment decisions have to be taken based on information less complete and accurate than that available in more developed countries.

Currency risks

Certain sub-funds, investing in securities denominated in currencies other than their reference currency, may be subject to fluctuations in exchange rates resulting in a reduction in the sub-fund's Net Asset Value. Changes in the exchange rate between the base currency of the sub-fund and the currency of its underlying assets may lead to a depreciation of the value of the sub-fund's assets as expressed in the sub-fund's base currency. The sub-fund may attempt to mitigate this loss by the use of hedging but only on the terms approved of in the Prospectus.

Investment in small and medium-capitalised companies (small and medium cap)

Investment in small and medium-sized companies can involve more risks than those normally associated with investment in larger and better established companies. Smaller companies, in particular, often have limits as regards product range, markets or financial resources, and there may be only one or two key manager(s).

Investing in equity securities

Investing in equity securities may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities

of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Investments in debt securities

Among the principal risks of investing in debt securities are the following:

- interest rate risk (the risk that the value of the relevant sub-fund's investments will fall, if interest rates rise); interest rate risk generally is greater for sub-funds that invest in fixed income securities with relatively long maturities than for sub-funds that invest in fixed income securities with shorter maturities; and
- credit risk (the risk that companies in which the relevant sub-fund invests, or with which it does business, will fail financially, and be unwilling or unable to meet their obligations to the sub-fund).

Investment in derivatives

"Derivatives" is a generic name for instruments getting their return from underlying assets. The instruments are agreements on the purchase or sale of the underlying assets on a future date at a preset price. The return of the agreement depends on the return of the underlying asset. Common derivatives are futures, options and swaps.

Risks associated with derivatives are commonly:

- Derivatives are time limited and will expire.
- The low margin amount required to establish a derivative position permits a high degree of leverage. As a result, a relatively small movement in the price of a futures contract or a swap may result in a profit or a loss which is high in proportion to the amount of assets actually placed as margin (collateral) and may result in losses exceeding any margin deposited.

Volatility risk:

The price of an option depends most directly on the price of its underlying asset. If an option is held as part of a delta neutral portfolio (that is, a portfolio that is hedged against small moves in the underlying's price), then the next most important factor in determining the value of the option will be its implied volatility. Thus volatility risk is the risk in the value of options portfolios due to the unpredictable changes in the volatility of the underlying asset. Such unpredictable changes may negatively impact the performances of the Fund.

Foreign investment risks

Government regulations and restrictions in certain countries, including countries in Asia and the Pacific region, Africa, Eastern Europe and Latin America, may limit the amount and types of securities that may be purchased by a sub-fund or the sale of such securities once purchased. Such restrictions may also affect the market price, liquidity and rights of securities that may be purchased by a sub-fund, and may increase sub-fund expenses. In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation may affect certain aspects of the operation of a sub-fund. In particular, a sub-fund's ability to invest in the securities markets of several of the Asian countries and other emerging countries is restricted or controlled to varying degrees by laws restricting foreign investment and these restrictions may, in certain circumstances, prohibit a sub-fund from making direct investments.

Warrants

Investment in warrants on Transferable Securities can lead to increased portfolio volatility. Thus, the nature of the warrants will involve shareholders in a greater degree of risk than is the case with conventional securities.

Investments in specific sectors

Certain sub-funds will concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investments in such sectors. More specifically, investments in specific sectors of the economy such as health care, consumer staples and services or telecommunications etc. may lead to adverse consequences when such sectors become less valued.

Use of financial techniques and instruments – Counterparty risk

Certain sub-funds of the Company may also use techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets as well as invest in financial

derivative instruments, as more fully described in the investment policy of the relevant sub-funds and in Annex II hereunder, which may entail additional risks for shareholders.

The Company will use commitments methodologies in order to calculate the global risk exposure of each relevant sub-fund and to ensure that such global risk exposure relating to such instruments does not exceed the total Net Asset Value of the relevant sub-funds.

The Company will be exposed to credit risk on the counterparties with which it trades in relation to instruments that are not traded on a recognised exchange. Such instruments are not afforded the same protection as may apply to those traded on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Company, therefore, will bear the risk of the counterparty's default or a delay in settlement due to a credit or liquidity problem affecting the counterparty. A downgrade of a counterparty's credit rating may oblige the Company to terminate the relevant contract in order to ensure compliance with its Company's investment policy and/or the applicable regulations. The counterparty risk is however mitigated by the fact that the Company will only enter into transactions with highly rated financial institutions specialised in these types of transactions as approved by the Investment Manager as valid counterparties.

APPENDIX I

INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each sub-fund, the benchmark, the reference currency and the Company's management strategy.

Except to the extent that more restrictive rules are provided for in connection with a specific sub-fund under Appendix III, the investment policy shall comply with the rules and restrictions laid down hereafter:

A. The Company may invest in:

- (1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the EU, which is regulated, operates regularly and is recognised and open to the public;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a OECD Member State or dealt in on another market in a OECD Member State, which is regulated, operates regularly and is recognised and open to the public;
- (4) units of UCITS and/or other UCIs within the meaning of the first and the second indent of Article 1(2) of Directive 2009/65/EC, whether situated in a Member State of the EU or in a OECD Member State, provided that:
 - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority (the “**CSSF**”) to be equivalent to that laid down by EU law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection guaranteed to unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirement of Directive 2009/65/EC;
 - the business of the other UCIs is reported in half-yearly and annual report to enable an assessment of the assets and liabilities, income and operation over the reporting period; and
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can be, according to their constitutional documents, invested in aggregate in units of other UCITS or other UCIs;
- (5) deposits with credit institutions and time deposits, which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 (twelve) months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a OECD Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down by EU law;
- (6) derivatives financial instrument within the meaning of the Grand-Ducal regulation of 8th February 2008, in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in points (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter (“**OTC Derivative (s)**”), provided that:
 - (i) - the underlying assets consist of instruments covered by the present Section A, of financial indices within the meaning of the Grand-Ducal regulation of 8th February 2008, interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with its investment objectives:
 - the counterparties to OTC Derivatives transactions are institutions subject to prudential supervision and belonging to the categories, and

- the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can, at the Company's initiative, be sold, liquidated or closed at fair value at any time by means of an offsetting transaction;
- (ii) under no circumstances shall these operations cause the Company to diverge from its investment objectives.

(7) Money Market Instruments other than those dealt in on a Regulated Market, as described under points (1) to (4), to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and saving, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State of the EU, the European Central Bank, the EU or the European Investment Bank, a OECD Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking, any securities of which are dealt in, on Regulated Markets referred to in points (1), (2) or (3) 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 within the meaning of the Grand-Ducal regulation of 8th February 2008; or
- issued by other bodies belonging to the categories provided that investments in such instruments are subject to investor protection rules, within the meaning of the Grand-Ducal regulation of 8th February 2008, equivalent that laid down in the first, the second or the third indent and provided that the issuer is a company whose share capital and reserves amount to at least EUR 10,000,000.- (ten million Euros) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed company(ies), is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles, which benefit from a banking liquidity line within the meaning of the Grand-Ducal regulation of 8th February 2008.

B. Moreover, in each sub-fund the Company may:

- (1) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under Section A;
- (2) hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the shareholders;
- (3) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Commitments in connection with options and the purchase and sale of futures are not taken into consideration when calculating the investment limit; and
- (4) acquire foreign currency by means of a back-to-back loan.

C. In addition, the Company shall comply in respect of the net assets of each sub-fund with the following investment restrictions per issuer:

(a) Risk Diversification Rules

For the purpose of calculating the restrictions described herein, companies, which are included in the same group of companies, are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds, where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules.

▪ **Transferable Securities and Money Market Instruments**

- (1) No sub-fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
 - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers, in which it invests more than 5% of its net assets, would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (2) The limit of 10% stipulated in point (1) (i) is raised to 20% if the Transferable Securities and Money Market Instruments are issued by companies belonging to the same group, that are not required to consolidate their financial statements, pursuant to Council Directive 83/349/EEC of 13th June 1983, with regard to consolidated accounts or pursuant to accepted international accounting rules.
- (3) The limit of 10% stipulated in point (1) (i) is raised up to 35% if the Transferable Securities and Money Market Instruments are issued or guaranteed by an EU Member State, by its regional authorities, by any third State or by international public organisations of which several EU Member States are a member.
- (4) The limit of 10% set forth above under (1) (i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution, which has its registered office in an EU Member State, and which, under applicable law, is submitted to specific public control, in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities, the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant sub-fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such sub-fund.
- (5) The securities specified above under points (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each sub-fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, by its local authorities, by any other Member State of the Organisation for Economic Cooperation and Development ("OECD") such as the United States or by international public organisations of which several EU Member States are members, provided that (i) such securities are part of at least 6 (six) different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such sub-fund.**
- (7) Without prejudice to the limits set forth hereunder under Sub-Section (b), the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body, when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or bond index within the meaning of the Grand-Ducal regulation of 8th February 2008, based, among others, on the following basis:
 - the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions, in particular in Regulated Markets where certain Transferable Securities and Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- **Bank deposits**

(8) A sub-fund may not invest more than 20% of its assets in deposits made with the same body.

- **Derivatives**

(9) The counterparty risk connected with OTC Derivatives transactions may not exceed 10% of the net assets of a sub-fund, when the counterparty is one of the credit institutions referred to under Section A (6) above or 5% of its net assets in all other cases.

(10) Investments in derivatives may be made insofar as the overall risks, to which the underlying assets are exposed, do not exceed the investment limits stipulated under points (1) to (5), (8), (9), (13) and (14). When the Company invests in derivatives pegged to an index, such investments are not necessarily combined with the limits set forth under points (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or a Money Market Instrument includes a derivative financial instrument within the meaning of the Grand-Ducal regulation of 8th February 2008, this derivative must be taken into account for the purpose of applying the provisions set out in Section C, point (14) and in Section D, point (1), and for the purpose of evaluating the risks connected with derivatives transactions, in such a way that the aggregate risk connected with the derivatives does not exceed the total Net Asset Value.

- **Units of Open-Ended Funds**

(12) The Company may not invest more than 20% in units of any one UCITS or other UCIs as defined in Section A, point (4).

When a sub-fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in points (13) and (14).

When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company, with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Company's investment in the units of such other UCITS and/or UCIs.

Risk Warning: As any sub-fund shall invest its assets in other UCITS and/or other UCIs, there is a risk for the investor to bear the cost of a double fee structure.

Any sub-fund, that invests a substantial proportion of its assets in other UCITS and/or other UCIs, shall disclose the maximum level of the management fees that may be charged both to the sub-fund itself and to the UCITS, and/or other UCIs in which it intends to invest. The maximum management fees shall be 3,5%. In the annual report, it shall be indicated the maximum proportion of management fees charged both to each such sub-fund and to the UCITS and/or other UCIs, in which they invest.

- **Combined limits**

(13) Notwithstanding the individual limits stipulated under Section C, points (1), (8) and (9) above, a sub-fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by the same entity and/or,
- deposits made with the same entity, and/or,
- risks inherent in OTC Derivatives transactions with the same entity, exceeding 20% of its net assets.

- (14) The limits set out under Section C, points (1), (3), (4), (8), (9) and (13) above may not be combined, and thus the aggregate investments of each sub-fund in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with points (1), (3), (4), (8), (9) and (13) under Section C above may not exceed a total of 35% of the assets of the of said sub-fund.

(b) Limitations on Control

- (15) No sub-fund may acquire such amount of shares carrying voting rights, which would enable the Company to exercise a significant influence over the management of the issuer.
- (16) The Company may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% to of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCITs or other UCI.

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

The ceilings set forth above under points (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any other State, which is not an EU Member State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more EU Member State(s) is (are) member(s);
- shares in the capital of a company, which is incorporated under or organised pursuant to the laws of a State, which is not an EU Member State, provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State, a participation by the relevant sub-fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under Section C, points (1) to (5), (8), (9) and (12) to (16) and Section D, point (2);
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

D. In addition, the Company shall comply in respect of its net assets with the following investment restrictions per instrument:

Each sub-fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

E. Finally, the Company shall comply in respect of the assets of each sub-fund with the following investment restrictions:

No sub-fund may acquire commodities or precious metals or certificates representative thereof.

- (1) No sub-fund may invest in 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.
- (2) No sub-fund may use its assets to underwrite any securities.
- (3) No sub-fund may issue warrants or other rights to subscribe for shares in such sub-fund.
- (4) A sub-fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each sub-fund from investing in non-fully paid-up Transferable Securities and Money Market Instruments or other financial instruments, as mentioned under Section A, points (4), (6) and (7).
- (5) The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial Instruments as listed under Section A, points (4), (6) and (7).
- (6) No sub-fund may invest in private equity securities.
- (7) A Sub-Fund may subscribe, acquire and/or hold securities to be issued or already issued by one or several other Sub-Funds under the conditions however, that:
 - a. the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
 - b. the voting rights attached to the shares concerned will be suspended for as long as they are held by the relevant Sub-Fund and without prejudice to an appropriate treatment in accounting and in the periodical reports; and

in any case, as long as these securities are held by the Company, their value shall not be taken into account for the calculation of the Company's net assets for the control of the minimum threshold of net assets imposed by the Law of 2010.

F. Notwithstanding anything to the contrary herein contained:

- (1) The ceilings set forth above may be disregarded by each sub-fund, when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such sub-fund's portfolio. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from Section C. for a period of 6 (six) months following the date of their creation.
- (2) If such ceilings are exceeded for reasons beyond the control of a sub-fund or as a result of the exercise of subscription rights, such sub-fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries, where shares of the Company are offered or sold.

APPENDIX II

FINANCIAL TECHNIQUES AND INSTRUMENTS

Subject to the following conditions, the Company is authorised for each sub-fund to resort to techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any recourse to such techniques and instruments be carried out for the purpose of hedging and/or efficient management of the portfolio, altogether within the meaning of the Grand-Ducal regulation of 8th February 2008 and the provisions of CSSF Circular 14/592.

Counterparties involved in the types of transaction described in this appendix are selected amongst first class institutions subject to prudential supervision and approved by the Board of Directors. Counterparties related to the Company, the Management Company or the Investment Manager cannot be selected unless conflicts of interest arising from this situation are mitigated and described in the prospectus.

The counterparties must have developed expertise and knowledge in the types of transaction specifically considered. In line with the requirements due to the counterparty risk, the Company is authorised to select a counterparty based on quantitative criteria (such as credit rating, solvency and liquidity ratios) and qualitative criteria (such as legal status, country of origin, staff, services, reporting). These criteria are non-decisive individually but are rather analysed together to ensure a fair and true view of the counterparty risk.

Third parties (e.g. the agent lender), who may receive costs and fees for their services related to financial techniques and instruments, are not related to the Investment Manager or to the Management Company.

A. Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets

(1) General

To optimise portfolio management and/or to protect its assets and liabilities, the Company may use techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets within the meaning of the Grand-Ducal regulation of 8th February 2008.

Information on direct and indirect operational costs that may be incurred in this respect, as well as the entities to which such costs and fees are paid, and any relationship they may have to the Management Company, Investment Manager or Depositary, will be available in the Annual Report of the Company or at the registered office of the Management Company.

Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets should not:

- a. result in a change of the declared investment objective of the Company; or
- b. add substantial supplementary risks in comparison to the risks described in this Prospectus.

Furthermore, each sub-fund is notably authorised to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimise yield, i.e., for the purpose of sound portfolio management,

(2) Limitation

When transactions involve the use of derivatives, the Company must comply with the terms and limits stipulated above in Appendix I.

The use of transactions involving derivatives or other financial techniques and instruments may not cause the Company to stray from the investment objectives set out in the Prospectus.

(3) Risks - Notice

In order to optimise their portfolio yield, all sub-funds are authorised to use the derivatives techniques and instruments described in this Appendix and Appendix I (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said Appendices.

The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using these techniques for other purposes than hedging. If the managers and sub-managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

In using derivatives, each sub-fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialised in this area, acting as counterparties. Although the corresponding markets are not necessarily considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

The attention is particularly drawn to the provisions of this prospectus relating to counterparty's risks as set out above under XIII. SPECIAL CONSIDERATION ON RISKS.

It is noted that the revenues arising from such techniques should be fully returned to the Company, net of direct and indirect operational costs resulting from them.

B. Total Return Swaps (TRS) and other financial derivative instruments with the same characteristics:

These contracts represent a combined market and credit default derivative and their value will change as a result of fluctuations in interest rates as well as credit events and credit outlook. A TRS which involves the Company receiving the total return is similar in risk profile to actually owning the underlying reference security. Further, these transactions may be less liquid than interest rate swaps as there is no standardisation of the underlying reference benchmark and this may adversely affect the ability to close out a TRS position or the price at which such a close out is transacted. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty credit risk and collateral is arranged to mitigate this risk. The documentation risk for TRS is reduced by adhering to standard International Swap and Derivatives Association ("**ISDA**") documentation.

The Company may enter into TRS in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments ("**Circular 08/356**"), the provisions of CSSF Circular 14/592 and the European regulation 2015/2365 on transparency of securities financing transactions ("**SFTs**") and of reuse.

TRS can only be used if clearly specified in the investment policy of the respective Sub-Fund. Notably:

- a. the use of TRS is in accordance with the investment purpose and investment policy of the respective Sub-Fund, and is suited towards achieving these.
- b. TRS and other financial derivative instruments with the same characteristics may have as underlying a security, a basket of securities, a portfolio of securities and/or are instruments in which the Company's investment policy allows it to invest directly or via other existing UCI or UCITS. In accordance with its investment objectives and policy, the Company may use TRS and other financial derivative instruments with the same characteristics in order to gain exposure to securities if entering into these transactions is more efficient or otherwise advantageous to the Company.

- c. TRS are valued in a reliable and verifiable manner on a daily basis and may be sold, at any time upon the Company's initiative at the appropriate market value, liquidated or settled by means of a back-to-back transaction
- d. Counterparties involved in this type of transaction are selected as described in the introduction of this appendix.
- e. In any case the counterparty does not assume any discretion over composition or management of the Company's investment portfolio or over the underlying of the financial derivative instrument. The approval of the counterparty is not required in relation to any investment portfolio transaction of the Company.

Information on actual counterparties and underlying instruments in this respect will be available in the half-yearly and annual reports of the Company or at the registered office of the Management Company, including:

- a) the amount of assets engaged in each type of SFTs and TRS expressed as an absolute amount (in the collective investment undertaking's currency) and as a proportion of the collective investment undertaking's assets under management;
- b) ten largest collateral issuers across all SFTs and TRS (break down of volumes of the collateral securities and commodities received per issuer's name);
- c) top 10 counterparties of each type of SFTs and TRS separately (name of counterparty and gross volume of outstanding transactions);
- d) aggregate transaction data for each type of SFTs and TRS separately to be broken down according to the below categories: (i) type and quality of collateral; (ii) maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open maturity; (iii) currency of the collateral; maturity tenor of the SFTs and TRS broken down in the following maturity buckets: less than one day, one day to one week, one week to one month, one to three months, three months to one year, above one year, open transactions; (iv) country in which the counterparties are established; (v) settlement and clearing (e.g., tri-party, Central Counterparty, bilateral);
- e) data on return and cost for each type of SFTs and TRS broken down between the collective investment undertaking, the manager of the collective investment undertaking and third parties in absolute terms and as a percentage of overall returns generated by that type of SFTs and TRS.
- f) policy on sharing of return generated by SFTs and TRS: description of the proportions of the revenue generated by SFTs and TRS that is returned to the collective investment undertaking, and of the costs and fees assigned to the manager or third parties.

It is noted that the revenues arising from such products should be fully returned to the Company, net of direct and indirect operational costs resulting from them.

C. Securities Lending

The Company may enter into securities lending transactions in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments ("**Circular 08/356**"), the provisions of CSSF Circular 14/592 and the European regulation 2015/2365 on transparency of securities financing transactions ("**SFTs**") and of reuse.

The Company will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in EU law.

The Company must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

It is noted that the revenues arising from such products should be fully returned to the Company, net of direct and indirect operational costs resulting from them. At least half of the gross revenues arising from such security lending transactions should be fully returned to the Company.

D. Repurchase Agreement Transactions

The Company may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments ("**Circular 08/356**"), the provisions of CSSF Circular 14/592 and the European regulation 2015/2365 on transparency of securities financing transactions ("**SFTs**") and of reuse.

Each Sub-Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

A sub-fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

A sub-fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Each sub-fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

It is noted that the revenues arising from such products should be fully returned to the Company, net of direct and indirect operational costs resulting from them. At least half of the gross revenues arising from such repurchase agreement transactions should be fully returned to the Company.

E. Collateral

The Company may receive a collateral where engaging into OTC financial derivatives and efficient portfolio techniques. Such collateral should comply with the following rules:

- a. Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC reflected in Appendix I herein.
- b. Valuation – the collateral received is valued on at least a daily basis using mark-to-market values and assets that exhibit high price volatility should not be accepted as collateral. The Management Company applies the rules defined in Section IV, I C. Valuation of Assets to evaluate the collateral received. Daily variation margins are used.
- c. Issuer credit quality – the collateral received should be of high quality.
- d. Correlation – the collateral received by the Company should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e. 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 Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral

with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

- f. The Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- g. Where there is a title transfer, the collateral received should be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h. The Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- i. Non-cash collateral received should not be sold, re-invested or pledged.
- j. Cash collateral received should only be:
 - placed on deposit with entities prescribed in Article 50 (f) of the Directive 2009/65/EC ;
 - invested in high-quality government bonds;
 - used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
 - invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.
 - The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Collateral policy: collateral received by the Company shall be limited to cash and government bonds. In the context of securities lending, the collateral will represent 90 % of the assets transferred by the relevant sub-fund. The level of collateral shall be maintained at all times at such levels so as to ensure that the combined counterparty risk on any transaction involving OTC derivative instruments or efficient portfolio management techniques may not exceed the limits set forth by any applicable laws and regulations.

Haircut policy: the following haircuts for collateral are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this prospectus shall be amended accordingly, subject to CSSF approval):

Eligible Collateral	Haircut Percentage
Cash, American Depositary Receipts, Global Depositary Receipts	0%
OECD Government Bonds (issued by sovereign government, issued by sovereign government agencies, issued or guaranteed by provincial/state governments, issued by supranational organisations rated AAA)	Minimum 2%
OECD Bank obligations (minimum issuer S&P -or equivalent- short term rating of A-)	Minimum 2%
EOCD Corporate bonds (minimum issuer S&P -or equivalent- rating of A-)	Minimum 5%
Convertible securities which are unconditionally convertible into equities listed or traded on the Main Index	Minimum 5%
Exchange traded funds which are 100% physically backed and which track the Main Index	Minimum 5%

Information on collateral and reuse in this respect will be available, according to the European regulation 2015/2365 on transparency of securities financing transactions ("**SFTs**") and of reuse, in the half-yearly and annual reports of the Company or at the registered office of the Management Company, including:

- a) data on reuse of collateral: (i) share of collateral received that is reused, compared to the maximum amount specified in the prospectus or in the disclosure to investors; (ii) cash collateral reinvestment returns to the collective investment undertaking;
- b) safekeeping of collateral received by the collective investment undertaking as part of SFTs and total return swaps: number and names of depositary agents and the amount of collateral assets safe-kept by each of the depositary agents;
- c) safekeeping of collateral granted by the collective investment undertaking as part of SFTs and total return swaps: the proportion of collateral held in segregated accounts or in pooled accounts, or in any other accounts.

APPENDIX III THE SUB-FUNDS

The Company's primary objective is to offer its shareholders the possibility of participating in the professional management of portfolios of Transferable Securities, Money Market Instruments or other eligible assets, as defined by Article 41 of the 2010 Law and within the limits set forth by the relevant articles of such law and as defined in the investment policy of each sub-fund of the Company.

A. GENERAL PROVISIONS APPLICABLE TO EACH SUB-FUND'S INVESTMENT POLICY

Each sub-fund's investment policy, as it appears in this Appendix, has been defined by the Board of Directors.

In each sub-fund, the aim is to maximise the value of the invested assets. The Company takes such risks as it considers reasonable, in order to achieve the objective it sets itself. However, given market fluctuations and other risks to which investments in Transferable Securities, Money Market Instruments or other eligible assets are subject, there can be no guarantee that this objective shall be achieved.

Each sub-fund may use all the financial techniques and instruments permitted within Appendix II, unless the sub-fund and/or class clearly stipulate the contrary on particular financial techniques and instruments.

B. INVESTMENT POLICIES OF THE SUB-FUNDS

The different sub-funds' investments shall be made according to the restrictions imposed by the 2010 Law and by this Prospectus.

The Company needs not comply with the limits set out in Appendix I, when exercising subscription rights attached to Transferable Securities, Money Market Instruments or other eligible assets that form part of its assets.

If the limits referred to above are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its future sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

B.1. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE STRATÉGIE

INVESTMENT STRATEGIES AND POLICY

The objective of the sub-fund is to obtain a return similar to that of a balanced fund, with a more favorable risk return ratio.

The sub-fund will have a high level of diversification and may invest in all asset classes and categories of UCITS or other UCIs (equities, bonds, cash and related eligible instruments like ETF, futures (...)) subject to the restrictions of Appendix I especially with regards to item A (4).

The allocation between all these asset classes will reflect the economic analysis of the Investment Manager (La Financière Constance Inc). Thus, the allocation of the portfolio between the different asset classes and categories of UCITS or other UCIs but also the weighting of geographical zones, sectors, ratings, maturities (...) may vary substantially with the time according to the manager's expectations.

In particular, the sub-fund may for the purpose of portfolio management optimisation invest in listed options on indices, and/or futures on index and/or listed options on volatility index, in the sub-fund's reference currency mainly.

For the same purpose, the sub-fund may hold shares of the Constance Alternative Options sub-fund. Such investments will be made on a strictly ancillary basis.

Therefore:

- The sub-fund will be exposed, **at most 65%** of the net assets of the sub-fund, directly or indirectly to **equities** and other securities giving or capable of giving, directly or indirectly, access to capital or voting rights, traded on eurozone and/or international markets, potentially including a significant portion of the investments in the emerging countries.
- The sub-fund will be invested, **without any restriction**, to the full extent and within the limits permitted by the 2010 Law, directly or indirectly in debt securities, i.e. fixed rate bonds, transferable debt securities, treasury bills, variable rate bonds, convertible bonds and inflation-linked bonds, potentially including a significant portion of investments in the emerging countries.
- The sub-fund will be exposed, at most 45% of the net assets of the sub-fund, directly or indirectly to "non directional" strategies through specialised investment funds such as and not limited to long/short Equity, Global Macro or CTA UCITS or UCIs.
- The sub-fund will never invest (i.e. no more than **0%**) in asset backed securities and mortgage backed securities or related eligible instruments.
- The sub-fund may hold cash and cash equivalents up to 100% of the net assets.
- The sub-fund will never invest (i.e. no more than **0%**) into commodities or securities exposed to commodities.
- The sub-fund **may invest up to 100%** of its net assets in shares or units of a UCITS or other UCIs.

The remaining assets may be invested, to the full extent and within the limits permitted by the 2010 Law, in all eligible assets as defined under Appendix I Sections A and B.

Within the limits set forth and as described under Appendix II of the Prospectus, the sub-fund is authorized to use such financial techniques and instruments i.e. for the purpose of hedging and/or efficient management of the portfolio. For each type of SFTs as defined in Appendix II of the Prospectus, the types of assets that can be subject to them are those mentioned here above, the maximum proportion of the net assets of the sub-fund that can be subject to them is 100% and the expected proportion of the net assets of the sub-fund that can be subject to them is between 0% and 25%.

In line with the communication 11/18 of the CSSF, the method used for the determination of the global risk of the sub-fund is the commitment approach.

RISK PROFILE

The risks pertaining to an investment in the sub-fund are those related to equity, interest rates and to credits. The sub-fund may have these additional risks: market risk and currency risks. The attention of the shareholders is also drawn on the fact that the sub-fund may use futures or options (equities, interest rates, currencies, etc.) traded on regulated markets in order to generate exposure or hedge the portfolio.

The level of leverage assessed according to the commitment approach, which corresponds to the notional approach after taking into account netting and hedging techniques should be about 120 % and in no case exceed 200 %.

The sub-fund can suffer losses which reduces its Net Asset Value per share. The Company does not guarantee or protect the capital invested.

The risk factors described above are not exhaustive.

The discretionary management style is based on expectations regarding the performance of different markets. There is a risk that the sub-fund might not be invested in the best-performing markets at all times. The risk profile of the sub-fund is suitable for an investment horizon of over 3 (three) years.

PROFILE OF THE TYPICAL INVESTOR

1. The sub-fund is available to all investors who want to participate in the opportunities offered by the international equity and debt markets and are aware that a small part of the portfolio may be exposed to gearing (or leverage) through investments made in derivatives and the volatility of the prices of derivatives may increase the risk of investments made in the shares of the sub-fund to a higher level than in the case of traditional funds' investments. However for these investments into listed options, specific strategies is designed to reduce the risks inherent to the holding of such securities will be applied. The Sub-Fund is thus designed for investors who apprehend such strategies and plan to maintain their investment over the short-medium term.

2. Investors who plan to maintain their investment over the medium term.

Disclaimer: Past performance is not indicative of future results. The sub-fund is subject to the risk of financial markets. The price of the shares and the income from them may fall as well as rise. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the sub-fund will achieve its objectives.

AVAILABLE CLASSES OF SHARES

- Classes A shares available in EUR as well as USD hedged against portfolio currency (i.e. other currencies than USD respectively) fluctuations.

Capitalisation Shares

MINIMUM INITIAL SUBSCRIPTION AMOUNT, MINIMUM FURTHER SUBSCRIPTION AND VALUATION DAY

Minimum Initial Subscription Amount:

Class A: EUR 1000 / USD 1000

The minimum initial subscription amount may be waived at the discretion of the Board of Directors.

Minimum Further Subscription:

Class A: EUR 100 / USD 100

The minimum further subscription amount may be waived at the discretion of the Board of Directors.

Valuation Day:

The Net Asset Value per Share in the Sub-Fund is calculated every day, which is a Bank Business Day.

FEES BORNE BY THE SHAREHOLDERS

Fees rates will be applied in respect to the rule of equitable treatment of the Shareholders.

SUBSCRIPTION FEE:

Class A: up to 2% of subscription amount payable to the Distributor.

REDEMPTION FEE:

Class A: up to 2% of redemption amount payable to the Fund. The same rate shall be applied to shares redeemed on the same day.

CONVERSION FEE: None. Investors may switch their shares in the sub-fund for shares in another sub-fund free of charges.

FEES CLAIMED BY LOCAL INTERMEDIARIES: In connection with the purchase and/or sales of the shares in the local markets, local intermediaries may charge additional costs.

MANAGEMENT COMPANY FEE

The Management Company is entitled to receive out of the net assets of the sub-fund a management company fee which shall be calculated as follows, and for any share class: up to 0.12% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

All these expenses will be accrued in each sub-fund at each Net Asset Value calculation.

INVESTMENT MANAGEMENT FEE

The Investment Manager is entitled to receive out of the net assets of the sub-fund an investment management fee which shall be calculated as follows:

Class A: 1.75% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

All these expenses will be accrued in each sub-fund at each Net Asset Value calculation.

PERFORMANCE FEE

None

B.2. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE ALTERNATIVE OPTIONS

INVESTMENT STRATEGIES AND POLICY

NOTE TO PROSPECTIVE INVESTORS: THE NAME OF THE SUB-FUND IMPLIES THAT THE SUB-FUND DEALS IN A DIFFERENT OPTION STRATEGY AND IS NOT AN ALTERNATIVE SUB-FUND.

The investment objective of the Sub-Fund is to achieve an absolute return performance by investing mainly in listed equity index options through options strategies, in proportion that may help achieve a truly market neutral strategy and a very low volatility for the sub-fund. To a lesser extent, the sub-fund may on an ancillary and opportunistic basis for the purpose of portfolio management optimization invest in Exchange Traded Funds, futures on equity index and/or listed equity options, futures or trackers on volatility index.

Due to its market neutral strategy, the sub-fund's performance is uncorrelated to market direction and depends essentially of volatility and time value. Since the options will be held as part of a delta neutral portfolio (that is, a portfolio that is hedged against small moves in the underlyings' prices), the next most important factor in determining the value of the options will be their implied volatility. Implied volatility represents the expected volatility of the underlying asset, over the life of the option. As expectations change, option premiums react appropriately. Implied volatility is directly influenced by the market's expectation of the equity index price's direction:

- as expectations rise, implied volatility will rise. Options that have high levels of implied volatility will result in high-priced option premiums.
- Conversely, as the market's expectations decrease, implied volatility will decrease. Options containing lower levels of implied volatility will result in cheaper option prices.

The rise and fall of implied volatility will determine how expensive or cheap time value is to the option.

The Investment Manager will not make any attempts to predict the implied volatility nor to anticipate the direction to be taken by the market. He will instead establish the level of volatility of the market and take positions corresponding to long volatility positions if the volatility is assessed to be low or rather short volatility positions if the market volatility is considered to be high. The risk implied by short volatility positions imposes a rigorous portfolio construction process, in order to maintain a neutral delta for the overall portfolio.

The Vega (which measures the sensitivity to volatility) is an important component of the price of an option, however in this instance it will not have a significant influence on the valuation of the overall portfolio where the options have a short time to expiry date. The delta (which measures the rate of change of the theoretical option value with respect to changes in the underlying asset's price) and theta (measures the sensitivity of the value of the derivative to the passage of time) are the main components taken into consideration.

For such reason, the discretionary trading strategy does not attempt to forecast market direction. Risk management is paramount to achieve an optimal risk/reward ratio.

As a summary, the sub-fund does not take directional views. It simply seeks to optimize its option positions in view of the level of the market and the volatility level of the index.

The short convexity risk related to a short option position is managed by a continuous monitoring and the adjustment of the delta of the sub-fund's portfolio.

The Sub-Fund may hold an unlimited amount of cash or short term money market investments or debt with the principal purpose of supporting the Sub-Fund's margin/collateral requirements for investment in exchange traded call and put index options and to diversify the counterparty risk

The Company may pledge the assets of the Sub-Fund or provide such margin/collateral cover out of the assets of the Sub-Fund as the Investment Manager may deem necessary or appropriate in its absolute discretion in connection with the Sub-Fund's target investments, subject to the limits applicable under the law of 2010 and the provisions of this Prospectus.

Within the limits set forth and as described under Appendix II of the Prospectus, the sub-fund is authorized to use such financial techniques and instruments i.e. for the purpose of hedging and/or efficient management of the portfolio. For each type of SFTs as defined in Appendix II of the Prospectus, the types of assets that can be subject to them are those mentioned here above, the maximum proportion of the net assets of the sub-fund that can be subject to

them is 100% and the expected proportion of the net assets of the sub-fund that can be subject to them is between 0% and 25%.

In line with the communication 11/18 of the CSSF, the method used for the determination of the global risk of the sub-fund is the absolute VaR approach based on Monte-Carlo simulations.

According to ESMA (ESMA/2013/1950), the leverage is disclosed based on the sum of the notionals method provided by CESR's guidelines and the commitment approach. Leverage measured by the sum of the notionals approach should be about 1600%.

Such notional approach to calculate leverage reflects the amount of derivatives instruments in the portfolio. In the case of this Sub-Fund, the leverage calculated by the sum of notionals approach should always be greater or equal to the leverage calculated by the commitment approach; taking into account the delta of the options in the computation, as well as netting and hedging techniques.

Leverage measured by the commitment approach should be about 120% and in no case exceed 200%.

The important difference between both measures is due to the low option's delta used by the Investment Manager and the netting technique (between financial derivative instruments provided that they have the same underlying asset) and hedging technique (particularly between financial derivative instruments) applied. Those techniques are applied in accordance with ESMA guidelines.

The sub-fund will never invest (i.e. no more than 0%) into commodities or securities exposed to commodities.

The sub-fund will never invest (i.e. no more than 0%) into contingent convertibles bonds.

The sub-fund may hold cash and cash equivalents up to 100% of the net assets.

The sub-fund may not invest more than 10% of its net assets in units of UCITS or other UCIs (including ETFs).

RISK PROFILE

The risks pertaining to an investment in derivative instruments pegged to an index, mitigated by appropriate strategies. The sub-fund may have these additional risks: market risk and currency risks.

The sub-fund can suffer losses which reduces its Net Asset Value per share. The Company does not guarantee or protect the capital invested.

The risk factors described above are not exhaustive.

The discretionary management style is based on expectations regarding the performance of different markets. There is a risk that the sub-fund might not be invested in the best-performing markets at all times.

The risk profile of the sub-fund is suitable for an investment horizon of over one (1) year.

PROFILE OF THE TYPICAL INVESTOR

1. While the sub-fund is invested into listed options, the utilisation of specific strategies is designed to reduce the risks inherent to the holding of such securities. The Sub-Fund is thus designed for investors who apprehend such strategies and plan to maintain their investment over the short-medium term.

Disclaimer: Past performance is not indicative of future results. The sub-fund is subject to the risk of financial markets. The price of the shares and the income from them may fall as well as rise. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the sub-fund will achieve its objectives.

AVAILABLE CLASSES OF SHARES

Capitalisation Shares:

- Classes A shares available in EUR as well as CHF and USD hedged against portfolio currency (i.e. other currencies than CHF and USD respectively) fluctuations.
- Class B shares available in EUR as well as CHF and USD hedged against portfolio currency (i.e. other currencies than CHF and USD respectively) fluctuations.

- Class I shares available in EUR as well as CHF and USD hedged against portfolio currency (i.e. other currencies than CHF and USD respectively) fluctuations.

Initial Offering Period and Price:

- Class B (USD) Shares were initially offered from February 20th, 2017 at the price of USD 100 per Share and will be launched as soon as the first subscription into those shares is registered.
- Class A (USD) shares will be initially offered from May 30th and will be launched as soon as the first subscription into those shares is registered.
- Class B (CHF) shares will be initially offered from May 30th and will be launched as soon as the first subscription into those shares is registered.
- Class I (CHF) shares will be initially offered from May 30th and will be launched as soon as the first subscription into those shares is registered.

After the launch Class B and A Shares (USD) and Class B and I Shares (CHF) shall be available for purchase at the applicable Net Asset Value per Share.

MINIMUM INITIAL SUBSCRIPTION AMOUNT, MINIMUM FURTHER SUBSCRIPTION AND VALUATION DAY

Minimum Initial Subscription Amount:

Class A: EUR 10000 / CHF 10000 / USD 10000

Class B share: EUR 10000 / CHF 10000 / USD 10000

Class I share: EUR 100,000 / CHF 100,000 / USD 100,000

The minimum initial subscription amount may be waived at the discretion of the Board of Directors.

Minimum Further Subscription:

Class A: EUR 100 / CHF 100 / USD 100

Class B: EUR 100 / CHF 100 / USD 100

Class I: EUR 100 / CHF 100 / USD 100

The minimum further subscription amount may be waived at the discretion of the Board of Directors.

Valuation Day:

The Net Asset Value per Share in the Sub-Fund is calculated every day, which is a Bank Business Day.

FEES BORNE BY THE SHAREHOLDERS:

Fees rates will be applied in respect to the rule of equitable treatment of the Shareholders.

SUBSCRIPTION FEE:

Class A, B and I: up to 2% of subscription amount payable to the Distributor

REDEMPTION FEE:

Class A, B and I: up to 2% of redemption amount payable to the Fund. The same rate shall be applied to shares redeemed on the same day

CONVERSION FEE: None. Investors may switch their shares in the sub-fund for shares in another sub-fund free of charges.

FEES CLAIMED BY LOCAL INTERMEDIARIES: In connection with the purchase and/or sales of the shares in the local markets, local intermediaries may charge additional costs.

MANAGEMENT COMPANY FEE

The Management Company is entitled to receive out of the net assets of the sub-fund a management company fee which shall be calculated as follows, and for any share class up to 0.12% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

All these expenses will be accrued in each sub-fund at each Net Asset Value calculation.

INVESTMENT MANAGEMENT FEE

The Investment Manager is entitled to receive out of the net assets of the sub-fund an investment management fee which shall be calculated as follows:

Class A: 1% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class B: 1.25% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class I: 0.85% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

The Investment Manager is entitled to an additional fee of up to 0.10% of the total net assets per annum of the Class A, B and I CHF Hedged share classes, Class A, B and I USD Hedged share classes in relation to the Hedging process, payable monthly and calculated on the average total net assets for the relevant month.

All these expenses will be accrued in each sub-fund at each Net Asset Value calculation.

PERFORMANCE FEE

The Investment Manager is entitled to a performance fee in respect of the Sub-Fund as follows:

The Investment Manager is entitled to a performance fee when the Sub-Fund exhibits a positive absolute performance during a calendar year, subject to an Absolute High Water Mark. The performance fee amounts to 10% of the Sub-Fund's performance..

The Absolute High Water Mark is the greater of (i) the Net Asset Value per share at the end of any calendar year where a performance fee has been paid or (ii) the initial offer price per share.

The Performance Fee is payable in arrears at the end of the calendar year. It shall be calculated and accrued in the Net Asset Value on a daily basis.

Examples of performance fee based on a 10% "Percentage" and annual "Performance period":

	Sub-Fund's NAV	Sub-Fund's Performance Since last period	Performance Fee	NAV net of Performance Fee
T0	100	-	-	-
T1	107	7.00%	0.7%	106.30
T2	105	-1.87%	none	105.0
T3	110	2.80%	0.28%	109.72

The Sub-Fund is launched at T0 with a NAV of 100.

At the end of the first year (T1), the Sub-Fund exhibits an absolute positive performance of 7%. The Investment Manager is entitled to a performance fee of 0.7% (10% x 7%). Because a performance fee is paid, the Absolute High Water Mark is set on 107.

At the end of the second year (T2), the Sub-Fund exhibits a negative absolute performance (-1.87%). The Investment Manager is not entitled to a performance fee. The Absolute High watermark stays at 107.

At the end of the third year (T3), the Sub-Fund exhibits an absolute positive performance of 4.76%. However, the performance compared to the High Water Mark (107) is only 2.80%. The Investment Manager is entitled to a performance fee of 0.28% (10% x 2.80%). The Absolute High Water Mark is set on 110.

LA FINANCIÈRE CONSTANCE SICAV – SUMMARY CHARACTERISTICS OF SUB-FUNDS

B.1. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE STRATEGIE

B.1.1. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE STRATEGIE A

Classes	Class type	ISIN CODE	Launch Dates	Reference Currencies	Valuation Days	Investment Management Fees *	Minimum Initial Subscription Amount	Performance Fees **
Class A: Retail/ Institutional	Capitalisation shares	LU1303796640	This Class was launched in 2013 (Jersey Expert Fund)	EUR	Daily	max 1.75% of the total net assets per annum	EUR 1000	None
Class A: Retail/ Institutional	Capitalisation shares	LU2080710689	This class will be launched at a later stage upon decision of the board of directors	USD	Daily	max 1.75% of the total net assets per annum	USD 1000	None

* **The Investment Management Fees** are expressed in annual rate but are calculated on the basis of the average net assets for the relevant **month** and payable at the end of each **month**.

** **The Performance Fee** calculation is detailed for each sub-fund in the relevant sub-funds data sheets under Appendix III.

B.2. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE ALTERNATIVE OPTIONS

B.2.1. LA FINANCIÈRE CONSTANCE SICAV – CONSTANCE ALTERNATIVE OPTIONS

Classes	Class type	ISIN CODE	Launch Dates	Reference Currencies	Valuation Days	Investment Management Fees *	Minimum Initial Subscription Amount	Distribution type	Performance Fees **
<u>Class A:</u> Retail (Sophisticated investors***)	Capitalisation shares	LU1303798349	This class was launched in 2010 (Jersey Expert Fund)	EUR	Daily	max 1% of the total net assets per annum	EUR 10000	Own network	10%, Absolute High Watermark
<u>Class A:</u> Retail (Sophisticated investors***)	Capitalisation shares	LU1398025194	May 24, 2016	CHF	Daily	max 1% of the total net assets per annum	CHF 10000	Own network	10%, Absolute High Watermark
<u>Class A:</u> Retail (Sophisticated investors***)	Capitalisation shares	LU1629109221	When first subscription is registered	USD	Daily	max 1% of the total net assets per annum	USD 10000	Own network	10%, Absolute High Watermark
<u>Class B:</u> Distribution – Retail (Sophisticated investors***)	Capitalisation shares	LU1492751000	November 4 th , 2016	EUR	Daily	max 1.25% of the total net assets per annum	EUR 10000	External distribution network	10%, Absolute High Watermark
<u>Class B:</u> Distribution – Retail (Sophisticated investors***)	Capitalisation shares	LU1629109494	When first subscription is registered	CHF	Daily	max 1.25% of the total net assets per annum	CHF 10000	External distribution network	10%, Absolute High Watermark

<u>Class B:</u> Distribution – Retail (Sophisticated investors***)	Capitalisation shares	LU1559527848	When first subscription is registered	USD	Daily	max 1.25% of the total net assets per annum	USD 10000	External distribution network	10%, Absolute High Watermark
Class I: Institutional	Capitalisation shares	LU1492751695	November 4 th , 2016	EUR	Daily	max 0.85% of the total net assets per annum	EUR 100,000	All	10%, Absolute High Watermark
Class I: Institutional	Capitalisation shares	LU1629109577	When first subscription is registered	CHF	Daily	max 0.85% of the total net assets per annum	CHF 100,000	All	10%, Absolute High Watermark
Class I: Institutional	Capitalisation shares	LU1559528143	March 2 nd , 2017	USD	Daily	max 0.85% of the total net assets per annum	USD 100,000	All	10%, Absolute High Watermark

* **The Investment Management Fees** are expressed in annual rate but are calculated on the basis of the average net assets for the relevant **month** and payable at the end of each **month**.

** **The Performance Fee** calculation is detailed for each sub-fund in the relevant sub-funds data sheets under Appendix III.

***A Sophisticated Investor is a classification of investor indicating someone who has sufficient capital, experience and net worth to engage in more complex investment opportunities such as long/short options strategies.

Appendix IV

Additional information concerning the distribution of the Fund in Switzerland

The shares of the fund (the “Shares” and the “Fund”) can be distributed in Switzerland exclusively to qualified investors as defined by Article 10 § 3 of the Collective Investment Scheme Act (CISA) and Article 6 of the Collective Investment Scheme Ordinance (CISO) (Qualified Investors). The Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This offering memorandum and/or any other offering materials relating to the Shares may be made available in Switzerland solely to Qualified Investors.

Information for Switzerland based qualified investors

- The representative of the Fund in Switzerland is Hugo Fund Services SA, with its registered office at 6, Cours de Rive, CH-1204 Geneva

The offering documents and annual or semi-annual reports can be obtained free of charge from the Representative.

The place of performance for Shares of the Fund offered or distributed in or from Switzerland are the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Shares of the Fund in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor.

- The paying agent in Switzerland is Banque Cantonale de Genève with its registered office at 17 Quai de l'Ile, CH-1211 Geneva 2, Switzerland.

Shares may be subscribed and/or redeemed with the paying agent. A handling commission will be charged by the paying agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the paying agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate dealing cut-off time.

Expenses charged to the fund, retrocessions and rebates

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Fund. As applicable, the actual amount of such fees and expenses will be disclosed in the audited annual report.

Retrocessions

In distributing Shares of the Fund in Switzerland, the Fund is authorized to pass on distribution fees to the distributors and sales partners listed below:

- Distributors subject to authorization as defined in Article 19 al. 1 of the CISA (Swiss or foreign distributors regulated in their home jurisdiction)
- Distributors that are not required to obtain an authorization as defined under Article 19 al 1 of the CISA and article 8 of CISO (financial intermediaries regulated by FINMA, banks, insurance companies, fund managers, representatives)
- Sales partners who place Shares in the Fund with their customers exclusively through a written commission-based investment management or advisory mandate (e.g. independent asset managers or advisors).

When a retrocession payment may give rise to a conflict of interest, the recipient of the retrocession must ensure transparent disclosure and inform investors, unsolicited and free of charge, of the amount of retrocession it may receive for distribution. Upon request, the recipient must disclose the actual amount of retrocession received for distributing the Fund to the investor requiring information.

Rebates

The Fund grants rebates to investors in Switzerland. The purpose of a rebate is to reduce the fees or costs incurred by a certain investor. Rebates are permitted provided that they are paid from investment management fees and do not represent an additional charge on the fund assets; they are granted on the basis of objective criteria and, all investors in Switzerland who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent. The objective criteria for the granting of rebates by the Fund are as follows: *the volume subscribed by the investor or the total volume they hold in the Fund or, where applicable, in the product range of the promoter; the amount of the fees generated by the investor; the investment behaviour shown by the investor (e.g. expected investment period); the investor's willingness to provide support in the launch phase of the Fund.* At the request of the investor, the Fund must disclose the detailed criteria and the terms of such rebates free of charge.