

# ARMONY INVESTMENT FUND

an investment company with variable capital  
*(société d'investissement à capital variable)*

incorporated in and under the laws of the Grand Duchy of Luxembourg

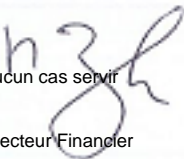
88 Grand-Rue, L-1660 Luxembourg  
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## PROSPECTUS

JULY 2023

VISA 2023/173716-8809-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2023-08-03  
Commission de Surveillance du Secteur Financier



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## IMPORTANT INFORMATION

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Directors accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly.

ARMONY INVESTMENT FUND is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *société d'investissement à capital variable* and is governed by Part I of the 2010 Law and qualifies as a UCITS.

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

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Investors are informed that the transfer of Shares may be restricted.

This Prospectus may only be issued with one or more Supplements (each a "**Supplement**"), each containing information relating to a separate Sub-Fund. The creation of new Sub-Funds requires the prior review of the home regulator of the Fund, i.e. the CSSF. If there are different Classes of Shares representing a Sub-Fund, details relating to the separate Classes may be dealt with in the same Supplement or in a separate Supplement for each Class. The creation of further Classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the relevant Key Investor Information Document. The latest audited report and the latest unaudited semi-annual report may be obtained from the offices of the Fund. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date thereof.

**The key investor information documents of each Class of each Sub-Fund (the "Key Investor Information Documents"), the latest annual and semi-annual reports of the Fund (if any), are available at the registered office of the Fund and will be sent to investors upon request and are also available at [www.fimarge.com](http://www.fimarge.com) Such reports shall be deemed to form part of this Prospectus.**

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

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

The provisions of the Fund's Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Fund cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Administration Agent that this is the most recently published Prospectus.

#### **Restrictions on Distribution and Sale of Shares**

**Luxembourg** - The Fund is registered pursuant to Part I of the 2010 Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

**European Union ("EU")** - The Fund is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

**United States of America ("US")** - The Shares have not been and will not be registered under the Securities Act of 1933 of the United States, as amended (the "**1933 Act**") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" (within the meaning of the 1933 Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

The Fund will not be registered under the United States Investment Company Act of 1940 (as amended) (the "**1940 Act**") since Shares will only be sold to US Persons who are "qualified purchasers", as defined in the 1940 Act.

Investors should note that under the Foreign Account Tax Compliance Act ("**FATCA**") details of US investors holding assets outside the US may be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion. As a result, and to discourage non-United States financial institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% withholding tax penalty with respect to certain United States sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce United States sourced income. The detailed implementation rules

and schedule of implementation have not yet been finalised and the Fund is therefore at this time not in a position to accurately assess the extent of the relevant requirements and the costs implied by such requirements. In order to protect the Shareholders from the effect of any withholding penalty, it is the intention of the Fund to be compliant with the requirements of the FATCA regime as this applies to entities such as the Fund. For further details, please refer to section "**FATCA**".

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the United States.

### **Generally**

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

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion or redemption of the Shares of the Fund.

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

The singular shall include the plural and vice versa and references to one gender include any other gender.

Investors should read and consider the section entitled "**Risk Factors**" before investing in the Fund.

All or part of the fees and expenses may be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment.

### **Data Protection**

Investors are informed that personal data (i.e. any information relating to an identified or identifiable natural person) (the "**Personal Data**") provided in connection with an investment in the Fund (the "**Data Controller**") will be processed by the Fund and the Management Company, the Administrative Agent, the Registrar & Transfer Agent, the Depository, the Paying Agent or the approved statutory auditor, and their affiliates and agents including the

Global Distributor and Distributors (if any) (together the "**Entities**") in accordance with data protection law applicable in Luxembourg (including, but not limited to (i) the law of 1<sup>st</sup> August 2018 concerning the organisation of the CNPD and the General Data Protection Regulation, (ii) Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data (the "**General Data Protection Regulation**"), as well as (iii) any law or regulation relating to the protection of Personal Data applicable to them) (together the "**Data Protection Laws**").

The Entities may act as data processors on behalf of the Data Controller (or, as applicable by law, other controllers) or as controllers in pursuing their own purposes of (i) offering and managing investments and performing the related services (ii) developing and processing the business relationship with the Processors, and (iii) if applicable direct or indirect marketing activities. The Entities shall declare that, in the event of any sub-processing of such processing they will oblige their sub-contractor (the "**Authorised Third Party**") to respect the same level of protection of Personal Data.

Such arrangements will not relieve the Entities of their obligations of protection, notably in the event of the transfer of personal data outside the European Economic Area ("**EEA**").

Subscribers may refuse to communicate their Personal Data to the Data Controller and the Entities and consequently prevent it from using such data. However, this might result in the impossibility for these persons to become Investors of the Fund. Failure to provide relevant Personal Data requested in the course of their relationship with the Fund may prevent an Investor from exercising its rights in relation to its Units and maintaining its holdings in the Fund. This failure may also need to be reported by the Fund, the Management Company and/or the Administrative Agent to the relevant Luxembourg authorities to the extent permitted and/or required by applicable law.

A beneficial owner shall however provide the Fund with the relevant Personal Data in relation to the Luxembourg law of 13 January 2019 creating a registrar of beneficial owners (the "**RBO Law**") and shall inform the Fund of any change thereof. In case of failure to fulfil these obligations under the RBO Law, the relevant beneficial owner may incur penalties in accordance with such law. It may also be prevented from maintaining its holdings in the Fund.

## **1. Personal data collected**

Personal data processed may include but is not limited to, the name, signature, date and place of birth, nationality, national identification number, address, transaction history of each Investor, e-mail address, bank and financial data, data concerning personal characteristics and data concerning source of wealth, or record of any telephone conversation (including for record keeping).

## **2. Purpose of processing your personal data.**

In most cases, Personal Data provided by Investors are processed notably in order to:

- (i) update the Fund's register of Investors,
- (ii) process subscriptions, redemptions, and conversions of Units as well as the payment of dividends to Investors,



- (iii) ensure controls in terms of late trading and market timing operations, and record keeping as proof of a transaction or related communication
- (iv) comply with the applicable rules regarding the prevention of money laundering and terrorist financing.
- (v) meet the purposes of the legitimate interests pursued by the Fund for direct marketing purposes relating to the Fund's products and services, to conduct surveys (including developing commercial offers)

In particular in relation to point (iv) above and pursuant to the RBO Law, the Fund will be required to provide (and keep up-to-date) the Luxembourg Registrar of Beneficial Owners ("RBO") with the following information on any natural person controlling ultimately (directly or indirectly) the Fund or holding more than 25% of the Shares or of voting rights: name and first name, date and place of birth, nationality, country of residence, private or professional address, national identification number (NIN) and nature and extent of the beneficial interest held.

**Such data may be accessed by any national authorities as well as by the general public (except for the NIN and the nature and extent of the beneficial interest held for which specific exemptions are required) under the conditions set forth by the RBO Law.**

**3. Based on specific lawful ground, your personal data may be processed in these ways for the following reasons**

The Data Controller and the Entities collect, store, process, and use, electronically or by other means, the Personal Data provided by Investors in order to fulfil their respective legal obligations. In this respect, in application of the legal obligations including the ones under applicable company law, anti-money laundering legislation, FATCA regulations as well as legislation for the purpose of application of the standard for Automatic Exchange of Financial Account Information developed by OECD, the information on the subscribers identified as subject to reporting as defined by these laws will be included in an annual declaration to the Luxembourg tax authorities. If applicable, they will be informed thereof by the Administrative Agent at the very least before the declaration is sent and in sufficient time to exercise their data protection rights (within 1 month or extended period of two other months if necessary).

Record keeping as proof of a transaction or related communication in the event of a disagreement and to enforce or defend the Controller's and Entities' interests or rights in compliance with any legal obligation to which they are subject. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for the period as provided for by applicable laws, starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Entities).

Investors acknowledge and accept that the Fund, the Management Company and/or the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information on an automatic basis with the competent authorities in the United States of America or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

The Data Controller and the Entities may use the Personal Data to regularly inform Investors about other products and services that the Data Controller and the Entities believe to be of interest to the Investors, unless the Investors have indicated to the Data Controller and the Entities in writing that they do not wish to receive such information.

The Data Controller and the Entities may also transfer the Personal Data of Investors to entities located outside the European Union that may not have developed a suitable level of data protection legislation. Where personal data is transferred outside the EEA, the Data Controller will ensure that the transfer is subject to appropriate safeguards or is otherwise permitted under applicable law. For example, the country to which the personal data is transferred may be approved by the European Commission, the recipient may have agreed to model contractual clauses approved by the European Commission that oblige them to protect the personal data.

#### **4. Based on specific lawful ground, the Fund is entitled to process your personal data in these ways for the following reasons**

Upon written request, the Data Controller shall also allow Investors to access to their Personal Data provided to the Fund.

The Investor has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete or object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

Insofar as Personal Data is not provided by the data subject him/herself, his/her representatives and/or authorized signatories confirm having informed and, where applicable, secured his/her consent to the transmission to and processing by the various parties referred to above (including in countries outside the European Union) of such Personal Data.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the Investors' Personal Data, except in the event of gross negligence or willful misconduct of the Fund.

Attention of Investors is drawn to the fact that information relating to the processing of Personal Data (the "**Personal Data Protection Policy**") is subject to update and/or modification.

#### **5. Contact information & exercise of rights**

The investor may exercise these rights by writing to [DPOGroup@quintet.com](mailto:DPOGroup@quintet.com).

In addition, the investor has a right to file a complaint with the Luxembourg data protection authority, the "*Commission nationale pour la protection des données*" (CNPD), if the investor has concerns about the processing of his or her personal data.

Below are the contact details of the "*Commission nationale pour la protection des données*":

Address: 15, boulevard du Jazz, L-4370 Belvaux  
Telephone: (+352) 26 10 60 -1  
Fax. : (+352) 26 10 60 - 29  
Website: <https://cnpd.public.lu/en.html>  
Web-form: <https://cnpd.public.lu/en/droits/faire-valoir/formulaire-plainte.html>

Additional information on data protection is available upon request.

The Fund will retain the Investor's personal data only for as long as necessary for the relevant processing activity and/or for as long as is necessary to comply with all relevant legal and regulatory requirements.

## 1. MANAGEMENT AND ADMINISTRATION

<b>Board of Directors</b>	Josep SARLE GUIU Chairman	Fimarge, Societat Financera D'Inversió, S.A. Bonaventura Armengol n°10, Bâtiment 1, 5ème étage  AD500 Andorra la Vella Andorra
	Serge D'ORAZIO Director	Independent Director 25, Cité Schmiedenacht L-4993 Sanem Grand Duchy of Luxembourg
	Oscar CASAS Director	Independent Director 11-13 Boulevard de la Foire L-1528 Luxembourg
<b>Management Company and Domiciliary Agent</b>	Kredietrust Luxembourg S.A.	88, Grand-Rue L – 1660 Luxembourg Grand Duchy of Luxembourg
<b>Administrative Agent and Registrar and Transfer Agent</b>	Ul efa S.A	2 rue d'Alsace L-1122 Luxembourg Grand Duchy of Luxembourg
<b>Investment Manager</b>	GVC Gaesco Gestion SGIC	Doctor Ferran, 3 Planta 1 08034 Barcelona Spain

<b>Investment Advisor</b>	Fimarge, Societat Financera D'Inversió, S.A.	Bonaventura Armengol n°10, Bâtiment 1, 5ème étage AD500 Andorra la Vella Andorra
<b>Depositary and Paying Agent</b>	Quintet Private Bank (Europe) S.A.	43, boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Auditor</b>	Deloitte Audit	20, Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg

## 2. DEFINITIONS

<b>1915 Law</b>	The Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time.
<b>2010 Law</b>	The Luxembourg law of 17 December 2010 on undertakings for collective investments, as amended from time to time.
<b>Administrative Agent</b>	UI efa S.A., acting as administration agent of the Fund.
<b>Articles</b>	The articles of incorporation of the Fund, as amended from time to time.
<b>Board of Directors</b>	The board of directors of the Fund.
<b>Business Day</b>	A day other than Saturday and Sundays on which banks are open for business in Luxembourg.
<b>Class of Shares</b>	Pursuant to the Articles, the Board of Directors may decide to issue, within each Sub-Fund, separate Classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Supplement.
<b>CSSF</b>	The <i>Commission de Surveillance du Secteur Financier</i> , regulatory authority of the financial sector in Luxembourg.
<b>Depository</b>	Quintet Private Bank (Europe) S.A. (formerly known as KBL European Private Bankers S.A.), acting as custodian of the Fund.
<b>Directors</b>	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time.
<b>Eligible Market</b>	A Regulated Market in an Eligible State.
<b>Eligible State</b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>FATCA</b>	The US Foreign Tax Compliance Act.
<b>Fund</b>	Armony Investment Fund.
<b>Ineligible Applicant</b>	An ineligible applicant as described under "Subscriptions".

<b>Investment Manager</b>	Any investment manager as appointed from time to time by the Management Company.
<b>Hire Act</b>	The US “Hiring Incentives to Restore Employment Act” of 18 April 2010, as amended from time to time.
<b>KIID</b>	A key investor information document pertaining to the Shares of a Class of Shares, as the case may be, and as defined by the 2010 Law.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Management Company</b>	Kredietrust Luxembourg S.A.
<b>Minimum Holding Amount</b>	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Supplement.
<b>Minimum Subscription Amount</b>	The minimum value of the first subscription of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Supplement.
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value or NAV</b>	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles.
<b>Net Asset Value per Share</b>	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class.
<b>OECD</b>	The Organisation for Economic Co-operation and Development.
<b>Redemption Charge</b>	A charge not exceeding the percentage of the the net asset value of the redeemed shares levied for the benefit of the financial intermediaries disclosed in the relevant Supplement that may be applied to redemptions of Shares.
<b>Redemption Price</b>	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, less any Redemption Charge.
<b>Registrar and transfer Agent</b>	UI efa, acting as registrar and transfer agent.
<b>Regulated Market</b>	A market within the meaning of Article 4(1)14 of directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.
<b>RESA</b>	The Luxembourg <i>Registre Electronique des Sociétés et Associations</i> (electronic register of companies and associations), replacing the <i>Mémorial</i> as of 1 June 2016.

<b>Share</b>	A share of no par value of any Class in the Fund.
<b>Shareholder</b>	A person recorded as a holder of Shares in the Fund's register of shareholders.
<b>Supplement</b>	A supplement to this Prospectus containing information with respect to a particular Sub-Fund.
<b>Sub-Fund</b>	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.
<b>Subscription Charge</b>	A sales commission not exceeding 5% of the net asset value of the subscribed shares levied for the benefit of the financial intermediaries. The Subscription Charge is to be considered as a maximum rate and the financial intermediaries may decide at their discretion to waive this charge in whole or in part.
<b>Subscription Price</b>	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, plus any Subscription Charge.
<b>SFDR</b>	Means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the sustainability-related disclosures in the financial services sector.
<b>Sustainability Risks</b>	Means an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by this Fund.
<b>Sustainability Factors</b>	Means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Environmental factors may include, but are not limited to, the impact of emissions, energy efficiency, the exploitation of natural resources or waste treatment. Social factors may include human rights, treatment of workers and workers’ rights or diversity issues. Governance factors may include shareholder rights, remuneration of senior management, conflicts of interest or board independence.
<b>Transferable Securities</b>	Shall mean: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares,</li> <li>- bonds and other debt instruments,</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul> excluding techniques and instruments relating to transferable securities and money market instruments.
<b>UCITS</b>	An undertaking for collective investment in transferable securities within the

meaning of the 2010 Law.

<b>UCITS Directive</b>	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on UCITS as regards depositary functions, remuneration policies and sanctions.
<b>Other UCI</b>	An Undertaking for Collective Investment within the meaning of the Article 1(2) (a) and (b) of 2010 Law, as amended.
<b>United States</b>	The United States of America, any state, territory, or possession thereof, any area subject to its jurisdiction, the District of Columbia, or any enclave of the United States Government or its agencies or instrumentalities.
<b>US Person</b>	Has the meaning ascribed to such term in the Regulation S of the 1933 Act and include US entities and US resident individuals as construed under the Hire Act and FATCA.
<b>Valuation Day</b>	Any day as defined per Sub-Fund in the relevant Supplement.

In this Prospectus all references to "US Dollars", "USD" and "US\$" are to the United States Dollar, all references to "Euro", "EUR" and "€" are to the Single European Currency.



### 3. INTRODUCTION

The Fund is an open-ended investment company incorporated under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* in accordance with the provisions of Part I of the 2010 Law for an unlimited period of time.

The Fund was incorporated as a UCITS governed by the provisions of Part I the 2010 Law, on 18 March 2016, under the name of Armony Investment Fund, with an initial share capital of EUR 31.000.- and registered with the Luxembourg Trade and Companies' Register under number B 204.934, whose articles of incorporation have been published with the *Mémorial C. Recueil des Sociétés et Associations* number 971 on 2 April 2016. The Articles have been amended for the last time on 15 May 2020 and published with the RESA on 27 May 2020.

The Fund is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Sub-Funds. At the date of this Prospectus, the Fund has created the following Sub-Fund:

- Armony – Ageca Fund.

The Fund has appointed Kredietrust Luxembourg S.A. as its designated management company, within the meaning of the 2010 Law. Further details on the Management Company are provided below under the section "**Management Company**".

At all times the Fund's capital will be equal to the Net Asset Value of the Fund and will not fall below the minimum capital required by Luxembourg law.

The Directors may create additional Sub-Funds from time to time in respect of which a Supplement or Supplements will be issued after prior review of the CSSF.

The assets of each Sub-Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment strategies applicable to each such Sub-Fund and as set out in the relevant Supplement. Pursuant to Article 181 of the 2010 Law, each Sub-Fund corresponds to a distinct part of the assets and liabilities of the Fund, i.e. the assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Sub-Fund.

The liabilities of a particular Sub-Fund (in the event of a winding up of the Fund or a repurchase of the Shares in the Fund or all the Shares of any Sub-Fund) shall be binding on the Fund but only to the extent of the particular Sub-Fund's assets and in the event of a particular Sub-Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Sub-Fund to satisfy any such deficit.

The Reference Currency of each Sub-Fund and Class of Shares is set out in the relevant Supplement.

Shares of a Sub-Fund may be listed on the Luxembourg Stock Exchange or on another stock exchange. The Board of Directors will decide whether Shares of a particular Sub-Fund are to be listed. The relevant Supplement will specify if the Shares of a particular Sub-Fund are listed.

#### **4. INVESTMENT OBJECTIVES AND POLICY**

The exclusive objective of the Fund is to place the funds available to it in Transferable Securities, Money Market Instruments, UCITS and other permitted assets of any kind, including shares or units of Other UCI, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

Details of the investment objective, investment strategies and certain terms relating to an investment in a Sub-Fund will be set out for each Sub-Fund in the relevant Supplement.

A graph, showing the historical performances of those Sub-Funds which have existed for at least one complete calendar year, is contained in the respective key investor information documents.

## 5. INVESTMENT RESTRICTIONS

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

I. (1) Unless otherwise provided for in the relevant Sub-Fund Supplement, the Fund, for each Sub-Fund, may invest in:

a) Transferable Securities and Money Market Instruments admitted to or dealt in on an Eligible Market;

b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;

c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:

-such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,

-the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,

-the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

-no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

d) Shares of other Sub-Funds of the Fund provided that:

-the target Sub-Fund does not, in turn, invest in the Sub-Fund; and

-no more than 10% of the assets of the target Sub-Fund can, according to its investment policy, be invested in aggregate in units of other UCITS or other UCIs; and

-voting rights, if any, attached to the relevant Shares are suspended for as long as the Shares are held by the Sub-Fund concerned.

For as long as the Shares of a Sub-Fund are held by another Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by Law.

There shall be no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund and the target Sub-Fund itself.

e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non-Member

State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

and/or

g) money market instruments other than those dealt in on an Eligible Market and referred to under "**Definitions**", if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong, or

- issued by an undertaking any securities of which are dealt in on Eligible Markets, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities or Money Market Instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may

not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) e) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

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

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

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

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

**f) Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by any other member State of the OECD, Singapore, Brazil, Russia, Indonesia and South Africa, or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

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

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

VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) c), provided that no more than 20% or any lower percentage (as may be disclosed in the relevant Supplement) of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI. Each compartment of a UCITS or UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Fund 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 another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such other company may not charge subscription or redemption fees on account of the Fund's investments in the units of such UCITS or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the management company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

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

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

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

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

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

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

This restriction shall not prevent the Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

c) The Fund may not carry out uncovered sales ("**short sales**") of Transferable Securities, Money Market Instruments or other financial instruments.

d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.

e) The Fund may not acquire either precious metals or certificates representing them.

IX. a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.



## 6. RISK MANAGEMENT PROCEDURES

In accordance with applicable laws and regulations, and in particular CSSF regulation No. 10-4 transposing Commission Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, CSSF circular 11/512, CSSF circular 18/698, the ESMA Guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS (ref.: ESMA/10-788) and the ESMA Guidelines on risk management principles for UCITS (ref.: ESMA/09-178), the Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio. The Management Company, on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

The risk profile of the Fund is monitored taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Unless otherwise provided for any Sub-Fund in the relevant Supplement, the commitment approach is used to monitor and measure the global exposure of each Sub-Fund.

This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting or hedging.

**7. FINANCIAL TECHNIQUES AND INSTRUMENTS ASSOCIATED WITH TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS FOR EFFICIENT PORTFOLIO MANAGEMENT**

The Fund currently has no intention to employ efficient portfolio management techniques and enter into total return swaps (the “**TRS**”), securities financing transactions (the “**SFTs**”) or financial derivative transactions that require the use of collateral to reduce counterparty risk. The SFTs include (i) repurchase transactions, (ii) securities lending and securities borrowing, (iii) buy-sell back transactions or sell-buy back transactions and (iv) margin lending transactions. In case any Sub-Fund decides to employ such strategies and accepts collateral to reduce counterparty risk in the future, it will comply with the relevant regulations (in particular Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the “**SFTR**”)) and CSSF Circulars and the Prospectus will be updated accordingly.

## **8. RISK FACTORS**

### **8.1. GENERAL**

Since the value of the shares in a Sub-Fund depends on the performance of the underlying investments, which are subject to market fluctuations, no assurance can be given that the investment objective of the Sub-Funds will be achieved and that the amounts invested can be returned to the investor upon redemption of the Shares.

### **8.2. INTERNATIONAL INVESTING**

Investments on an international basis involve certain risks, including:

- The value of the assets of a Sub-Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Sub-Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Sub-Fund may invest.
- Accounting auditing and financial standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.
- A Sub-Fund's assets may be invested in securities denominated in currencies other than the base currency of the Sub-Fund (details for each Sub-Fund are set out in Description of Sub-Funds), and any income from these investments will be received in those currencies, some of which may fall against the base currency of the Sub-Fund. A Sub-Fund will compute its net asset value and make any distributions its base currency. Therefore, there may be a full currency exchange risk which may affect the value of the shares and the income distributions paid by a Sub-Fund.

### **8.3. INTEREST RATE RISK**

The Sub-Funds that invest in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

### **8.4. CREDIT RISK**

The Sub-Funds that invest in bonds and other fixed income securities are subject to the risk that issuers not make payments on such securities. An issuer suffering from an adverse change in its financial condition could lower the quality of a security leading to greater price volatility on that security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

### **8.5. MARKET RISK**

The risk that the value of the relevant Sub-Fund's investments will fall as a result of movements in financial markets generally.

#### **8.6. MANAGEMENT RISK**

The risk that the relevant Sub-Fund's investment techniques will be unsuccessful and may cause the Sub-Fund to incur losses.

#### **8.7. INVESTING IN DERIVATIVES**

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, those described below. However, should the Investment Manager's expectations in employing such techniques and instruments be incorrect, a Sub-Fund may suffer a substantial loss, having an adverse effect on the net asset value of the Shares.

#### **8.8. FINANCIAL AND DERIVATIVES INSTRUMENTS AND HEDGING STRATEGIES**

Investments of a Sub-Fund may be composed of securities with varying degree of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of a Sub-Fund concerned.

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or may be used as part of the principal investment policies. A Sub-Fund's ability to use the strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves special risks, including:

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

#### **8.9. POTENTIAL RISKS TO INVESTING IN CONTINGENT CONVERTIBLES**

Contingent convertible securities are subject to the risks associated with bonds and equities, and to the risks specific to convertible securities in general. Contingent convertible securities are also subject to additional risks specific to their structure including:

**Conversion risk:** In some cases, the issuer may cause a convertible security to convert to common stock. If a convertible security converts to common stock, the Sub-Fund may hold such common stock in its portfolio even if it does not ordinarily invest in common stock.

**Trigger level risk:** Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Management Company to anticipate the triggering events that would require the debt to convert into equity.

**Capital structure inversion risk:** Contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

**Written down risk:** In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

**Yield / Valuation risk:** The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

- (i) the creditworthiness of the issuer and the fluctuations in the issuer's capital ratios;
- (ii) the supply and demand for contingent convertible securities;
- (iii) the general market conditions and available liquidity; and
- (iv) the economic, financial and political events that affect the issuer, the market it is operating in or the financial markets in general.

**Liquidity risk:** Convertible securities are subject to liquidity risk.

**Coupon cancellation risk:** In addition, coupon payments on contingent convertible securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

**Call extension risk:** Contingent convertible securities are subject to extension risk. Contingent convertible securities are perpetual instruments and may only be callable at predetermined dates upon approval of the applicable regulatory authority. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

**Unknown risk:** Convertible contingent securities are a newer form of instrument and the market and regulatory environment for these instruments is still evolving. As a result it is uncertain how the overall

market for contingent convertible securities would react to a trigger event or coupon suspension applicable to one issuer.

#### **8.10. COUNTERPARTY RISK**

The Sub-Funds will be exposed to credit risk on the counterparties with which they trade in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Sub-Funds will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Sub-Fund trades. Such instruments could result in a substantial loss to a Sub-Fund.

#### **8.11. INVESTMENTS IN SMALLER CAPITALIZATION COMPANIES ("SMALL CAPS")**

Small Caps present greater opportunities for growth but also involve greater risk than is customary associated with securities of more established issuers. The value of small company securities may fluctuate independently of larger company stock prices and broad stock market indices. The reasons for potentially higher price volatility when investing in smaller companies include the less certain growth prospects of smaller companies, the lower degree of liquidity of markets for such securities and the greater sensitivity of smaller companies to changing market conditions. Such issuers may have limited product lines, markets or financial resources and may be dependent of one or two key individuals.

#### **8.12. EMERGING AND LESS DEVELOPED MARKETS SECURITIES RISK**

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity, significant price volatility, restrictions on foreign investment, and possible repatriation of investment income and capital. In addition, foreign Investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which a Sub-Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Sub-Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Sub-Fund and compensation schemes may be non-existent or limited or inadequate to meet the Sub-Fund's claims in any of these events.

In addition investments in certain emerging and less developed countries are currently subject to certain heightened risks with regard to the ownership and custody of securities. In these countries, shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing shareholdings in companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Fund could lose its registration and ownership of the securities through fraud, negligence or even mere oversight. Debt securities also have an increased custodial risk associated with them as such securities may, in accordance with market practice in the emerging or less developed countries, be held in custody with institutions in those countries which may not have adequate insurance coverage to cover loss due to theft, destruction or default. It should be taken into consideration that when investing in government debt of emerging or less developed countries, particularly Ukraine, whether via the primary or secondary market, local regulations may stipulate that investors maintain a cash account directly with the sub-custodian. Such balance represents a debt due from the sub-custodian to the investors and the Depositary shall not be liable for this balance.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability, more substantial governmental involvement in the economy, less governmental supervision and regulation, unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers, and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Sub-Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

### **8.13. SUSTAINABILITY DISCLOSURES**

Pursuant to the SFDR, the Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision making process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of its Sub-Funds.

The Fund does not promote, among other characteristics, ESG characteristics and/or Sustainability Factors, or a combination of those characteristics according to Article 8 of SFDR and does not maximize portfolio alignment with Sustainability Factors or have sustainable investment as its objective according to Article 9 of SFDR. Nevertheless, the Fund remains exposed to Sustainability Risks that represent potential or actual material risks and/or opportunities that may have an impact on risk adjusted returns. Sustainability Risks are integrated into the investment decision making process of the Investment Manager with the purpose of identifying, assessing and where possible and appropriate, seeking to mitigate these risks.

According to our view non sustainability-oriented businesses will not exist in the future, with independence of the sector they belong. Sustainability risks are integrated, as a qualitative information, in our decision-making process.

Our investment decision process has 4 steps. (1) Identifying businesses with future, (2) identifying long-term oriented management, (3) company valuation and (4) client experience if possible. Sustainability risks

are taken into account as one of the inputs in the investment decision process, especially in step (1) and in step (2) (in the meetings with the management teams).

It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

For the time being, the Investment Manager does not consider adverse impacts of investment decisions on sustainability factors (environmental, social and employee matters, the respect for human rights, anti-corruption and anti-bribery matters). The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts

The above list of risk factors does not purport to be a complete explanation of the risks involved in investing in any Sub-Fund or the markets in which the relevant Sub-Fund will trade.



## 9. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

### 9.1. DIRECTORS

The Board of Directors is responsible for the overall management and control of the Fund in accordance with the Articles. The Board of Directors shall have the power to determine the corporate and investment objectives and strategies of the Fund and each Sub-Fund thereof, as well as the course of conduct of the management and business affairs of the Fund. It shall be further responsible for oversight of the administration and operations of each Sub-Fund.

The members of the Board of Directors will receive periodic reports from the Management Company in relation to the performance by the Management Company of its functions as per the Management Company Agreement.

### 9.2. MANAGEMENT COMPANY

Pursuant to the Management Company Agreement, the Fund has appointed Kredietrust Luxembourg S.A. as its designated management company within the meaning of the 2010 Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

The Management Company was incorporated in the form of a *société anonyme* on 31 July 1998 for an unlimited duration. The Management Company is approved as a management company regulated by Chapter 15 of the 2010 Law and as alternative investment fund manager within the meaning of article 1(46) of the law of 12 July 2013 on alternative investment fund managers. The Management Company is a subsidiary of Quintet Private Bank (Europe) S.A. The Management Company has a subscribed and paid-up capital of EUR 2,300,000.-.

The board of directors of the Management Company is, at the date of this Prospectus, composed as follows:

<b>Chairman</b>	Mr Vincent DECALF Independent Director
<b>Directors</b>	Mr. Clemens LANSING Director
	Mr. Aurélien BARON Director

The Management Company is managed by its board of directors.

The conducting officers of the Management Company are Mr. Cyril Thibaut, Mr Aurélien Baron.

In addition to the Fund, the Management Company also acts as management company for other funds. The list of funds managed by the Management may be obtained upon request from the Management Company.

Upon recommendation and with the written prior consent of the Directors and, to the extent required by applicable law, the approval of the CSSF, the Management Company is authorised to delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company.

The relationship between the Management Company and the Fund is subject to the terms of the Management Company Agreement which has been entered into for an unlimited period of time from the date of its execution. Each of the Management Company and the Fund may terminate the Management Company Agreement upon ninety (90) calendar days' written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances.

The Management Company Agreement contains provisions indemnifying the Management Company, and exempting the Management Company from liability, in certain circumstances.

Where the Management Company has delegated any of its functions to a third party, the relevant agreement shall contain a provision which allows the Management Company to give at any time further instructions to the entity(ies) to which those functions have been delegated and to terminate the relevant agreement without prior notice and with immediate effect, as provided for by article 110 (1) (g) of the 2010 Law.

In accordance with the requirements of the 2010 Law, the Management Company has established and maintains a remuneration policy ensuring the best possible alignment of the interest of investors, those of the Management Company (as well as its business strategy and values) and the achievement of the investment objectives of the Fund with a view of not encouraging excessive risk. It includes measures to avoid conflicts of interests and integrates in its performance management system risk criteria specific to the activities of the business units concerned. The criteria applied to establish fixed remuneration are job complexity, level of responsibility, performance and local market conditions.

The remuneration policies and practices shall apply to those categories of staff whose professional activities have a material impact on the risk profiles of management companies or of the UCITS that they manage. All staff members entitled to variable remuneration (such as bonus payments) are subject to an evaluation including both quantitative and qualitative criteria as part of an annual performance assessment.

The remuneration policy of the Management Company provides that where the remuneration is performance-related, the assessment of the performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the funds managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the funds and that the actual payment of performance-based components of remuneration is spread over the same period. The Management Company will balance fixed and variable remuneration components appropriately and ensure that the fixed portion is sufficiently high to exercise a fully flexible variable remuneration policy (in particular the option of not paying variable remuneration). Variable amounts may be paid out over a period of time in line with applicable laws and regulations.

The details of the remuneration policy of the Management Company are available on <https://www.quintet.com/en-lu/pages/regulatory-affairs>. A copy will be made available free of charge to investors upon request at the Management Company registered office.

### 9.3. ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT

The Management Company has appointed UI efa S.A. ("**UI efa**") as administrative, registrar and transfer agent of the Fund. UI efa will carry out, in its capacity as administrative agent, all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Fund (the "**Administrative Agent**"), and, in its capacity as registrar and transfer agent, the maintenance of the shareholders' register and for dealing with subscriptions, redemptions, conversions or transfer requests of the Shares (the "**Registrar and Transfer Agent**"), in accordance with the administrative, registrar and transfer agent agreement executed as of 1<sup>st</sup> July 2023 (the "**Administrative Agency Agreement**"). The Administrative Agency Agreement has been entered into for an unlimited period and may be terminated by either party upon giving 90 days' prior written notice.

### 9.4. INVESTMENT MANAGER

For the purpose of efficiency the Management Company may delegate, under its responsibility and with the prior approval of the Board of Directors the portfolio management activities of the different Sub-Funds to third parties ("**Investment Manager**").

The role of an Investment Manager is to pursue the investment policy of the Sub-Funds in accordance with the respective Sub-Funds' investment objectives and policy, to manage the day-to-day business of the portfolio (under the supervision, control and responsibility of the Management Company) and to provide other related services. Investment Managers are at all times subject to the investment objectives and policy set out in the Prospectus for each Sub-Fund, the investment restrictions, the Articles and any other applicable legal restrictions.

An Investment Manager has full investment discretion over the assets of a Sub-Fund. An Investment Manager may use and select brokers of its own choosing to settle transactions and may, at its own expense and responsibility, consult or delegate duties to third parties. In principle, an Investment Manager bears all expenses it incurs in connection with the services it provides for a Sub-Fund.

The fees and expenses to be paid to the Investment Manager (if any), will be detailed in the relevant Sub-Fund's Supplement.

In case a Sub-Fund's portfolio management activities are delegated or the Investment Manager has delegated his duties to one or more Sub-Investment Manager(s) the name(s) of the respective (Sub-) Investment Managers are indicated in the respective Sub-Fund's Supplement.

### 9.5. INVESTMENT ADVISOR

The Management Company or, as applicable, the Investment Manager, with the consent of the Fund, can use the services of one or more investment advisers for one or several Sub-Funds.

The investment advisers monitor the security markets and analyses the composition of the securities portfolios and the other investment of the Fund. The investment advisers provides the Management Company/Investment Manager with investment recommendations taking into account the principles of the investment policy and investment limits described below for each Sub-Fund. However, the responsibility for all investment decisions

remains with the Management Company/Investment Manager. The remuneration of the Investment Advisor is paid from the respective Sub-Fund's assets.

The remuneration allocated to the Investments Advisor(s) are indicated in the relevant Sub-Fund's Supplement.

#### 9.6. DISTRIBUTORS

The Fund may enter into agreements with Distributors to market and place Shares of each of the Sub-Fund's in different countries worldwide, with the exception of such countries where such activity is prohibited.

The Fund and the Distributors will ensure that they fulfil all obligations imposed on them by laws, regulations and directives on combating money laundering and take steps, to the extent possible, that these obligations are adhered to.

For their distribution services, the Distributors shall be entitled to receive a remuneration, as further detailed for each Sub-Fund in the relevant Sub-Fund Supplement.

#### 9.7. DEPOSITARY AND PAYING AGENT

The Fund has appointed Quintet Private Bank (Europe) S.A. as the depositary of all of the Fund's assets.

The Depositary is a bank organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg for an unlimited duration. Its registered office is at 43, Boulevard Royal, L-2449 Luxembourg. At 31<sup>st</sup> December 2021, its capital and reserves amounted at EUR 1,114,596,923.

As Depositary, Quintet Private Bank (Europe) S.A. will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law.

The Depositary will further, in accordance with the 2010 Law:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Fund are carried out in accordance with the applicable Luxembourg law and the Articles;
- (b) ensure that the value of the shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
- (c) carry out the instructions of the Management Company or the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
- (d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
- (e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of shares of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- (a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- (b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC ; and
- (c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

(a) for financial instruments that may be held in custody, the Depositary shall:

(i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;

(ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;

(b) for other assets, the depositary shall:

(i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;

(ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the 2010 Law.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the 2010 Law are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the 2010 Law and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on <https://www.quintet.com/en-lu/pages/regulatory-affairs> and may be made available to investors free of charge upon request.

**Conflicts of interests:**

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

As a multi-service bank, the Depositary may provide the Fund, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible to take all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement

with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the conflicts of interests and/or its source the Fund of which shall take appropriate action. Furthermore the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

As the financial landscape and the organizational scheme of the Fund may evolve over time, the nature and scope of possible conflicts of interests as well as the circumstances under which conflicts of interests may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Fund or the scope of Depositary's services to the Fund is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess, among others, the impact of such change on the nature and scope of possible conflicts of interests with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the below list will be updated accordingly):

- Conflicts of interests between the Depositary and the Sub-Custodian:
  - The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the subcustody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.
- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within Quintet).
  - The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.
- Some members of the staff of the Quintet Group are members of the Fund's board of directors.
  - Board members will disclose each conflict of interest (if any) to the board of directors and may not participate in the relevant decision, such conflict to then be recorded in the minutes of the meeting.
- The Depositary and the Management Company are part of the Quintet Group and some members of the staff of other Quintet Group entities (not acting as depositaries) are members of the Management Company's board of directors.

As a consequence, potential conflicts of interest would be notably:

- The possibility that the Depositary would favor the interests of the Management Company over one UCI or group of UCIs, or over the interests of their unitholders/investors or group of

unitholders/investors, for financial or other reasons.

- The possibility that the Depositary would obtain a benefit from the Management Company or a third party in relation to the services provided, to the detriment of the interests of the Fund or its investors.
  - The Depositary will act in accordance with the standards applicable to professionals of the financial sector, in accordance with the 2010 Law and in the best interest of the Fund and its investors, without being influenced by the interests of other parties.
  - The Depositary will do its utmost to perform its services with objectivity.
  - The Depositary and the Management Company are two separate entities with different purposes and employees, and ensuring a clear separation of tasks and functions.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with the 2010 Law. The depositary shall not be liable if it can prove that the loss has arisen 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.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

Pursuant to a paying agency agreement of 18 March 2016 Quintet Private Bank (Europe) S.A. also acts as Paying Agent. As principal paying agent Quintet Private Bank (Europe) S.A. will be responsible for distributing income and dividends, if applicable, to the Shareholders.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into for an unlimited period of time from the date of its signature. The Fund and the Depositary may terminate the Depositary Agreement on ninety (90) calendar days' prior written notice; provided, inter alia, that a new depositary assumes the responsibilities and functions of the Depositary and that the prior approval of the home regulator of the Fund has been obtained, being understood that such appointment shall happen within two months. The Depositary shall, if terminated by the Fund, however continue thereafter for such period as may be necessary for the complete delivery or transfer of all assets held by it.

## 9.8. **AUDITORS**

Deloitte Audit has been appointed as Auditor of the Fund.

## 10. SUBSCRIPTIONS

### 10.1. GENERAL PROVISIONS

Investors may subscribe for Shares in each Sub-Fund for each Valuation Day at the relevant Subscription Price.

For initial subscriptions, applicants should complete an application form (an "**Application Form**") and send it to the Registrar and Transfer Agent by mail or by facsimile. For subsequent subscriptions, applicants need only to complete a subscription form.

Application Forms for initial subscriptions of Shares may be sent by post or fax to the Registrar and Transfer Agent in Luxembourg on any Business Day by using the Application Form circulated with this Prospectus. In the case of faxed orders, these should be followed with the original Application Form by post.

Completed Application Forms or subscription forms must be received by the Registrar and Transfer Agent by no later than the time specified in the relevant Supplement. If the Application Form is not received by these times, the application will be treated as received for the next Valuation Day.

A Subscription Charge may be applied for each subscription of shares, as disclosed in the relevant Supplement.

The price per Share will be rounded upwards or downwards in accordance with standard rounding rules. Fractions of Shares will be issued up to three (3) decimal places. Fractions of Shares do not confer any voting rights but give right to dividend and participation in the liquidation proceeds of the respective Sub-Fund.

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund in cleared funds and in the reference currency of the relevant Class within the period of time specified in the relevant Supplement.

In order to receive the Net Asset Value per Share for a particular Valuation Day, applications must be settled in cleared funds within three bank Business Days in Luxembourg from the relevant Valuation Day. If timely settlement is not made, the application for Shares may be deemed null and void and Shares previously allotted may be cancelled.

In addition to the Subscription Price, the payment to the Fund must cover any transaction costs.

The Board of Directors may also determine that certain Sub-Funds shall be open for subscription only during the initial subscription period, after which no additional share issues will take place. In such a case, this shall be specified in the relevant Supplement.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned



(without interest) as soon as practicable in the currency of subscription or at the discretion of the applicant in another currency, at the risk and cost of the applicant.

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

## 10.2. INSTITUTIONAL INVESTORS

As detailed in the relevant Supplements, the sale of Shares of certain Classes may be restricted to institutional investors, as this term may be defined by guidelines or recommendations issued by the CSSF ("**Institutional Investors**") and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

## 10.3. INELIGIBLE APPLICANTS

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;
- (b) such issue or transfer will not require the Fund to register under the 1940 Act;
- (c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA (US Employee Retirement Income Securities Act of 1974 as amended); and
- (d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

Each applicant for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

The Fund may restrict or prevent the ownership of Shares of the Fund specifically but without limitation, by any Shareholder who would beneficially own more than 10% of the Shares of the Fund ("**a 10% owner**") and for such purposes the Fund may:

- decline to issue any Share and decline to register any transfer of a Share where it appears that such registration or transfer would or might result in beneficial ownership of such Share by a US Person or a 10% owner;
- at any time require any person whose name is entered in the Register of Shareholders to furnish it with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such shareholder's Shares rests or will rest with a US Person or a 10% owner; and
- where it appears to the Fund that any US Person either alone or in conjunction with any other person is a beneficial owner of Shares, compulsory purchase such Shares from any such Shareholder.

Subject as mentioned above, Shares are freely transferable. The Directors may, however, refuse to register a transfer which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

#### 10.4. **FORM OF SHARES**

All the Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding.

#### 10.5. **SUSPENSION**

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under Chapter "**Temporary suspension of net asset value calculations and of issues, redemptions and conversion of shares**". No Shares will be issued in the relevant Sub-Funds during any such period of suspension.

#### 10.6. **ANTI-MONEY LAUNDERING AND FIGHT AGAINST FINANCING OF TERRORISM**

The Fund has delegated to the Management Company the administration in respect of all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will monitor the anti-money laundering procedures that have been put in place. Pursuant to international rules and Luxembourg laws and regulations, comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, as well as circular of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the Registrar and

Transfer Agent of a Luxembourg UCI must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable for redemption) will not be accepted. Neither the Fund nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or any incomplete documentation. Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## 11. REDEMPTIONS

### 11.1. GENERAL PROVISIONS

Shares are redeemable at the option of the Shareholders.

Shareholders should send a completed redemption request to the Registrar and Transfer Agent by mail or by facsimile. All redemption requests are to be received by the Registrar and Transfer Agent no later than the time specified in the relevant Supplement Day failing which the redemption request will be treated as received for the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable for that Valuation Day.

A Redemption Charge will be applied for each redemption of shares, as disclosed in the relevant Supplement.

If redemption requests for more than 10% of the net asset value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

In exceptional circumstances the Directors may offer to a Shareholder a redemption in kind (i.e. the Shareholder receives a portfolio of stock of equivalent value to the appropriate cash redemption payment). In such circumstances the Shareholder may always refuse the redemption in kind and request a cash redemption payment in the reference currency of the Class. Where the investor agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro-rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss there from. The value of the redemption in kind will be certified by a report drawn up by the Auditors in accordance with the requirements of Luxembourg laws. However, where the redemption in kind exactly reflects the Shareholder's pro-rata share of investments, no auditor's report will be required. The redeeming Shareholder shall bear the costs resulting from the redemption in kind.

A redemption request, once given, is irrevocable, except in case of suspension of the determination of the Net Asset Value as described under chapter "**Temporary suspension of net asset value calculations and of issues, redemptions and conversion of shares**". Shares redeemed by the Fund are cancelled.

Payment of redemption proceeds will be made no later than the period of time provided in the relevant Supplement for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent.

### 11.2. SUSPENSION

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under chapter "**Temporary suspension of net asset value calculations and of**

**issues, redemptions and conversion of shares".** No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

### 11.3. COMPULSORY REDEMPTIONS

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "**Subscriptions**". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which more than 25% of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Administrative Agent, the Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "**Indemnified Party**") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

## 12. CONVERSION

### 12.1. GENERAL PROVISIONS

Subject to any prohibition of conversions contained in an Supplement and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares.

All conversion requests are to be received by the Registrar and Transfer Agent no later than 12 p.m. (Luxembourg time) on the relevant Valuation Day, unless otherwise specified in the relevant Supplement, failing which the conversion request will be treated as received for the next Valuation Day and Shares will be converted based on the formula indicated below.

However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted as detailed below:

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

Where:

- A is the number of Shares of the new Class / Sub-Fund to be allotted;
- B is the number of Shares of the original Class / Sub-Fund to be converted;
- C is the NAV of Shares of the original Class / Sub-Fund to be converted;
- D is the rate of exchange between the currency of the Class or Sub-Fund's Shares to be converted and the currency of the Class or Sub-Fund to be allotted, if the conversion involves Shares denominated in different currencies;
- E is the NAV of the Shares in the new Class / Sub-Fund ruling on the applicable Valuation Day.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated for the next following Valuation Day of each of the two Classes concerned.

There is no conversion fee charged as provided in the Supplement relating to a Sub-Fund.

### 12.2. SUSPENSION

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under Chapter "**Temporary suspension of net asset value calculations and of issues, redemptions and conversion of shares**". No Shares will be converted in the relevant Sub-Funds during any such period of suspension.

### **13. MARKET TIMING AND FREQUENT TRADING POLICY**

The Fund does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors reserve the right to cause the Management Company to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.



#### 14. NET ASSET VALUE

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Administration Agent as at such time as the Directors shall determine as of each Valuation Day, as further described in the relevant Supplement.

The Net Asset Value per Share as of any Valuation Day will be calculated to two decimal places in the reference currency of the relevant Class on each Valuation Day.

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

To the extent feasible, expenses, fees and income will be accrued as of each Valuation Day.

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

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

The value of such assets shall be determined as follows:

- 1) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
- 2) the value of all securities and/or money market instruments which are listed or traded on an official stock exchange or traded on any other Regulated Market will be valued on the basis of the last available closing prices on the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Fund are principally traded. The Board of Directors will approve a provider of securities prices which will supply

the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities will be determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate;

3) securities not listed or traded on a stock exchange or a Regulated Market will be valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors;

4) securities issued by open-ended investment funds shall be valued at their last available NAV or in accordance with item (2) above where such securities are listed;

5) the liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets shall be determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a NAV is being determined, then the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;

6) money market instruments with a residual maturity of less than 397 days are valued as follows (linear valuation): the determining rate for these investments will be gradually adapted during repayment starting from the net acquisition price and keeping the resulting return constant. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market returns;;

7) the swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows;;

8) all other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.;

In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

B. The liabilities of the Fund shall be deemed to include:

a) all loans, bills and accounts payable;

b) all accrued or payable administrative expenses (including but not limited to investment advisory fee or management fee, custodian fee and corporate agents' fees);

c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;

d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other reserves if any authorised and approved by the board of directors; and

e) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by shares in the Fund. In determining the amount of such liabilities the Fund shall take into account all expenses payable

by the Fund comprising formation expenses, fees payable to its investment advisers or investment managers, fees and expenses payable to its directors or officers, its accountants, custodian and its correspondents, domiciliary, registrar and transfer agents, any paying agent and permanent representatives in places of registration, any other agent employed by the Fund, fees and expenses incurred in connection with the general infrastructure of the Fund, the listing of the shares of the Fund at any stock exchange or to obtain a quotation on another Regulated Market, the cost of holding shareholders' meetings, fees for legal or auditing services, promotional, printing, reporting and publishing expenses, including the cost of advertising or preparing and printing of the prospectuses, explanatory memoranda, registration statements, or of interim and annual reports, taxes or governmental charges, and all other operating expenses, including the cost of buying and selling assets, interest, currency conversion costs, bank charges and brokerage, postage, telephone and telex. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administration Agent the determination of the Net Asset Value and the Net Asset Value per Share.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

## **15. TEMPORARY SUSPENSION OF NET ASSET VALUE CALCULATIONS AND OF ISSUES, REDEMPTION AND CONVERSION OF SHARES**

The Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if, at any time of one or more Sub-Funds, the Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise:

- (a) during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the shareholders of the Sub-Fund;
- (c) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange;
- (d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange;
- (e) in the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to wind up one or more Sub-Funds, or (ii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to merge one or more Sub-Funds; or
- (f) where in the opinion of the Directors, circumstances which are beyond the control of the Directors make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares or in any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Fund or its Shareholders might not otherwise have suffered.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Any suspension of the determination of the Net Asset Value will be notified to the CSSF and, if the Shares are distributed in other member states of the European Union, to the competent authorities of those member states. Any suspension shall also be notified to all persons requesting subscription, redemption or conversion of Shares during the period of suspension.

## **16. FEES AND EXPENSES**

### **16.1. MANAGEMENT COMPANY FEE**

As remuneration for the services of Management Company is entitled to receive an annual fee of 0.05% of the average of the net assets of each Sub-Fund with an annual minimum of EUR 25,000 per Sub-Fund to be paid at the end of each quarter.

### **16.2. INVESTMENT MANAGEMENT FEE**

For its investment management services, the Management Company or the Investment Manager (if any) is entitled to receive an investment management fee of a percentage of the net assets of the relevant Sub-Fund, as further detailed in the relevant Sub-Fund Supplement.

Unless otherwise provided for in the relevant Sub-Fund Supplement, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

### **16.3. PERFORMANCE FEE**

To the extent provided for in the relevant Sub-Fund Supplement, the Management Company or the Investment Manager (if any) will also be entitled to receive a performance fee, the details of which will (where applicable) be disclosed in the relevant Sub-Fund Supplement.

### **16.4. ADMINISTRATIVE AGENCY FEE**

UI efa shall receive for the accomplishment of his functions an administration fee, the details of which are described for each Sub-Fund in the relevant Sub-Fund Supplement. In addition, UI efa is entitled to be reimbursed by the Fund its reasonable out-of-pocket expenses.

### **16.5. DEPOSITARY FEES**

In consideration of its services, the Depositary will be entitled to receive from the Fund a custodian fee of maximum 0.040 % of the net assets per annum (with an annual minimum of EUR 10.800,- per Sub-Fund) (Luxembourg tax not included). The custodian fee will be calculated by reference to the monthly average net asset value of each Sub-Fund. They will accrue on each Valuation Day and will be payable monthly in arrears.

A supplementary Depositary Control Fee of 0.005% of the net assets with a minimum of EUR 2,500 per year and per Sub-Fund.

Furthermore, the Depositary charges a fee per operation on transferable securities (delivery or receipt).

In addition, the Depositary will be entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any correspondent bank or other agent (including any clearing system).

#### **16.6. OTHER CHARGES AND EXPENSES**

The Fund bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to) (a) all investment expenses (including, but not limited to, specific expenses incurred in obtaining systems, research and other information utilised for portfolio management purposes, including the costs of statistics and services, service contracts for quotation equipment and related hardware and software), (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation, costs incurred in arranging and participating in stocklending programme, (c) all administrative expenses and custody fees, (d) all of the charges and expenses of legal and professional advisers, accountants and auditors (including in connection with the preparation of the Fund's tax returns), (e) all brokers' commissions, all fees for investment research and/or trade ideas, all borrowing charges on positions taken through derivative instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (f) all taxes and corporate fees payable to governments or agencies, (g) all interest on borrowings (h) all communication expenses with respect to investor services and all expenses of meetings of the Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents (including KIIDs), (i) the fees and expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any), (j) all litigation, regulatory investigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) the fees of the CSSF, (l) the cost of termination of the Fund or any Sub-Fund, (m) the fees and expenses of any regulator, paying agent, representative, distributor or correspondent bank appointed in connection with the registration of the Fund (or any Sub-Fund) or the marketing of Shares or the application for and maintenance of particular tax treatment for the Shares in any jurisdiction, (n) the costs of any liability insurance obtained on behalf of the Fund, and (o) all other organisational and operating expenses.

Any such operating and other expenses may be deferred and amortised by the Fund, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Fund will be provided for in the calculation of the Net Asset Value of the Fund. Operating expenses and the fees and expenses of service providers which are payable by the Fund shall be borne by all Shares in proportion to the Net Asset Value of the Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

#### **16.7. ALLOCATION OF ASSETS, CHARGES AND EXPENSES**

All fees, duties, charges and expenses are allocated to the relevant Sub-Fund or Class in connection to which they were incurred. In case such fees, duties, charges and expenses cannot be allocated to one or several Sub-Fund(s) or Classes, such fees, duties and expenses will be shared by all Sub-Funds or Classes on a pro-rata basis.

All expenses incurred in the formation of the Fund (estimated to approximately EUR 35,000) or the relevant Sub-Fund shall be paid by the Fund or the relevant Sub-Fund and may at the discretion of the Directors be amortised over a period not exceeding five (5) years.

## **17. REPORTS AND FINANCIAL STATEMENTS**

The financial year of the Fund ends on 31 December in each year.

The first accounting year will end in 31 December 2016. The first audited report shall be published as of 31 December 2016 and the first unaudited semi-annual report shall be published as of 30 June 2016.

The audited annual reports and unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund.

Separate accounts are issued for each Sub-Fund in their base currency as indicated in the Supplements. At the preparation of the balance sheet of the Fund these accounts are added up after translation to the currency of the Fund (EUR).

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund.

## **18. PUBLICATION OF PRICES**

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund and any newspaper the Directors may determine from time to time.



## **19. MEETINGS**

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg (or any other place indicated in the convening notice) on last Friday of April at 2 p.m. or, if any such day is not a Business Day, on the immediately following Business Day, and for the first time on 28 April 2017. Notices of all general meetings are available at the registered office of the Fund. They are also published in the RESA and newspapers to the extent required by Luxembourg law and in such other newspapers as the Directors shall determine. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

Matters relating to a particular Sub-Fund, such as a vote on the payment of a dividend in relation to that Sub-Fund, may be decided by a vote at a meeting of the Shareholders of that Sub-Fund. Any change in the Articles of Incorporation affecting the rights of Shareholders of a particular Sub-Fund must be approved by a resolution both of all the Shareholders of the Fund and of the Shareholders of the Sub-Fund in question.

## 20. DIVIDEND POLICY

The dividend policy applicable for each Sub-Fund or Class is specified in the relevant Supplement.

Within each Sub-Fund, there may be created different Classes of Shares which are entitled to regular dividend payments ("**Distribution Shares**") or with earnings reinvested ("**Accumulation Shares**").

If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, normally by bank transfer, and in case of joint shareholding, to the first registered holder of the relevant Distribution Shares.

Dividend payments are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg Law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no dividends will be distributed if their amount is below of fifty (50) EUR or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

## 21. TAXATION

The following is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

### 21.1. THE FUND

The Fund is subject to Luxembourg tax legislation. The Fund is not subject to taxation in Luxembourg on its income, profits or gains. The Fund is subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly.

This subscription tax will however be reduced to 0.01% for:

- Sub-Funds or Classes of Shares reserved to Institutional Investors, or
- Sub-Funds whose sole objective is the collective investment in money market instruments and the placing of deposits with credit institutions.

A subscription tax exemption is applicable to:

- the portion of any Sub-Fund's assets invested in other Luxembourg investment funds subject to the subscription tax;
- any Sub-Fund (i) whose Shares are reserved to Institutional Investors, and (ii) whose sole objective is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) the weighted residual portfolio maturity does not exceed 90 days, and (iv) that has obtained the highest possible rating from a recognised rating agency. If there are several Classes of Shares within the relevant Sub-Fund, the exemption is only applicable to the Classes of Shares reserved to Institutional Investors;
- any Sub-Fund whose Shares are reserved to (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees; and (ii) companies of one or more employers investing funds they hold in order to provide retirement benefits to their employees;
- any Sub-Fund whose investment policy provides that at least 50% of their assets shall be invested in one or several microfinance institutions; and
- any Sub-Fund (i) listed or traded on at least one stock exchange or another regulated market, operating regularly, and recognised and open to the public, and (ii) whose exclusive object is to replicate the performance of one or more indexes. If there are several Classes of Shares within the relevant Sub-Fund, the exemption is only applicable to the Classes of Shares meeting condition (i) above.

As from January 1st, 2021, a progressively decreasing subscription tax rate (from 0.05% down to 0.01%) applies on the portion of a Sub-Fund's assets invested in sustainable economic activities, as defined by Article 3 of the EU Regulation 2020/852.

### 21.2. SHAREHOLDERS

## **Taxation of the Shareholders**

### *Luxembourg resident individuals*

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

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

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg resident individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

### *Luxembourg resident corporate*

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 29.22% (in 2015 and 2016 for entities having their registered office in Luxembourg-City) on the distribution received from the Fund and the gains received upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the 2010 Law, (ii) specialised investment funds subject to the amended law of 13th February 2007 on specialised investment funds, or (ii) family wealth management companies subject to the law of 11th May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the law of 22nd March 2004 on securitisation, (iii) a company governed by the amended law of 15th June 2004 relating to the investment company in risk capital, (iv) a specialised investment fund subject to the amended law of 13th February 2007 on specialised investment funds or (v) a family wealth management company subject to the law of 11th May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%.

### *Non Luxembourg residents*

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

## **Automatic Exchange of Information**

Following the development by the Organization 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 of the European Union.

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

Accordingly, the Fund will require its investors to provide information in relation to the identity and 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.

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

Investors in the Fund 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.**

### 21.3. GENERAL

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### 21.4. FATCA

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States of America in 2010. It requires financial institutions outside the U.S. ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (“IGA”) with the United States of America and a memorandum of understanding in respect thereof. The IGA concluded with the United States of America was implemented into Luxembourg law by the law of 24th July 2015. The Fund has to comply with such Luxembourg IGA, in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Fund may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes (“reportable accounts”). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Fund as complying with and not subject to the FATCA Withholding.

To ensure the Fund’s compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund, the Management Company, in its capacity as the Fund’s management company and/or the Administration Agent, may:

- a. request information or documentation, including withholding certificate (e.g. W-9 or W-8 tax forms), a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder’s FATCA status;
- b. report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- c. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA.

#### 21.5. **DAC6**

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (“DAC6”).

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more “hallmarks” provided for in DAC6 (the “Reportable Arrangements”).

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organise the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

DAC6 applies as from July 1st, 2020. Except in a few EU countries where DAC6 reporting deadlines will start applying as originally planned (ie August 31, 2020), most EU countries (including Luxembourg) have postponed the first reporting deadlines until early 2021. At that time, it will be necessary to report the Reportable Arrangements the first step of which was implemented between 25 June 2018 and 1 July 2020, together with any Reportable Arrangement identified as from July 1, 2020.

In light of the broad scope of DAC6, transactions carried out by the Fund may fall within the scope of DAC6 and thus be reportable (subject however to the way DAC6 will be implemented into national laws).

## 22. WINDING-UP

The Fund may be wound up by decision of an extraordinary general meeting of the Shareholders.

Such a meeting must be convened if the value of the net assets of the Fund falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances decisions to wind up the Fund will be taken in accordance with the requirements of the Law.

If the Fund is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the *Caisse de Consignation* of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.



### 23. DISSOLUTION AND AMALGAMATION OF SUB-FUNDS

Sub-Funds will be automatically dissolved at the end of their fixed term as may be provided for in the relevant Supplement.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

- (a) if the Net Asset Value of the Sub-Fund concerned has not reached or has decreased to an amount determined by the Directors to be the minimum level for such Class or Sub-Fund to be operated in an economically efficient manner, or
- (b) if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or
- (c) in order to proceed with an economic rationalisation.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Fund.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Luxembourg *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund as referred to in article 145(1) of the 2010 Law.

Any merger of a Sub-Fund shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more Sub-Fund(s) where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of Shareholders

resolving in accordance with the quorum and majority requirements for changing these Articles. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (in particular the notification to the Shareholders concerned) shall apply.

## **24. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected free of charge during normal business hours on any Luxembourg Business Day at the registered office of the Fund:

- (i) the Articles;
- (ii) the Prospectus, the KIIDs and the Application Form;
- (iii) the Depositary Agreement and Paying Agency Agreement;
- (iv) the Administrative Agency Agreement;
- (v) the Management Company Agreement;
- (vi) the Investment Management Agreement, if any;
- (vii) the Investment Advisory Agreement, if any;
- (viii) the latest annual and half-yearly financial statements;

Additional information which the Fund must make available upon request to investors in accordance with Luxembourg laws and regulations such as, but not limited to, shareholders complaint handling procedures, conflict of interest rules, voting rights policy of the Fund, best execution policy etc., shall be available at the registered office of the Fund.

Investors can find further information on the Fund at [www.fimarge.com](http://www.fimarge.com)

## 25. SUPPLEMENT 1: ARMONY – AGECA FUND

The information contained in this Supplement in relation to Armony – Ageca Fund (the “**Sub-Fund**”) should be read in conjunction with the full text of the Prospectus.

### 1. Introduction

The initial subscription period for the Sub-Fund was from 22 March 2016 to 29 March 2016 and the initial subscription price of the Class A Shares will be EUR 100. The Sub-Fund was launched on 30 March 2016.

### 2. Investment objective and policy

This Sub-Fund targets long-term capital growth through mixed, flexible and non-indexed management using wide risk diversification.

The Sub-Fund’s net assets will be allocated according to the investment manager’s convictions on market evolution, the economic environment, market opportunities etc. and with no restrictions or limits as to geographic, industrial or sectoral diversification.

The Sub-Fund will invest in a selected portfolio of international equity and equity-linked instruments, bonds and debt securities and money-markets denominated in different currencies.

The Sub-Fund achieves its aim by investing its net assets in and/or be exposed to:

- 0-100% in fixed income transferable debt securities issued by governments, public or private companies, rated investment grade and with up to 30% of the net assets in high yield securities. The average rating of the bonds held by the Sub-Fund shall be at least BB- as rated by S&P or Ba3 as rated by Moody’s. Fixed income products from emerging countries may not exceed 15% of net assets. The Sub-Fund may invest up to 15% of the net assets in contingent convertible bonds (“**Cocos**”).

The Cocos are complex instruments. They have a new space in the capital structure of the issuers. They are subordinate debt, they can cancel the coupon under specific circumstances of its prospectus and they can be converted in equity in order to protect the capital of the issuer. The risks related to this instrument are described in section 8.9 – Potential risks to investing in contingent convertibles – of the prospectus.

The Sub-Fund will not invest in unrated bonds or securitization instruments (ABS, CMBS, CLO or CLN).

- 0-75% in equities, equity-linked instruments across all industrial sectors and geographical zone and sizes of stock market capitalization. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities.
- 0-30% in UCITS and/or other UCI (including ETFs).
- 0-50% in securities and/or currencies other than Euros. The exposure to foreign exchange risk will be made on the basis of a global macroeconomic analysis.

The Sub-Fund may hold, on a temporary basis, up to 100% of its assets in cash or money market instruments (i.e. cash and short term deposits, certificates of deposit and bills, money market funds).

It may also hedge its exposure to non-euro currencies according to the investment manager’s conviction.

It should be noted that the investment policy of the Sub-Fund is to invest in the shares or units of UCITS and or other UCI (including ETFs) (within the limit indicated above) and that entails a double payment of fees (such as subscriptions and redemptions fees, management fees...). The total management fee calculated based on actual management fees costs paid on behalf of fund holdings, may vary up to 2.5% of their respective net assets.

This Sub-Fund may not use derivatives, financial techniques or instruments and will not conclude securities' lending transactions and repurchase agreements. The Sub-Fund may use only forwards on currencies and only in order to hedge the currency exposure of the portfolio up to 50% of its net assets in accordance with Chapter 5 "Investment Restrictions" described in Part I of the Prospectus. The forward will be used to adjust the portfolio's currency allocation.

As at the date of the Prospectus the Sub-Fund does not enter into TRS or SFTs as defined in SFTR. When the Sub-Fund will intend to use them, the Prospectus will then be updated accordingly in accordance with the applicable regulation.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **3. Profile of the typical investor**

The Sub-Fund is suitable for investors who wish to invest on a long term basis and have a moderate to high tolerance of risk. A minimum investment horizon of at least four years is recommended.

### **4. Reference Currency**

The Sub-Fund is denominated in EURO.

### **5. Investment Manager**

Under an agreement concluded with the Management Company, GVC Gaesco Gestion SGIIC has been appointed as the investment manager to the Sub-Fund. This agreement has no fixed duration and may be terminated by either party upon giving 90 calendar day's prior written notice.

### **6. Investment Advisor**

Under an agreement concluded with the Investment Manager, with the consent of the Fund, Fimarge, Societat Financera D'Inversió, S.A. has been appointed as the investment advisor to the Sub-Fund. This agreement has no fixed duration and may be terminated by either party upon giving 90 calendar day's prior written notice.

## 7. Class of Shares

Name of the Class of Shares	Distribution policy	Minimum Initial Investment*	Minimum Holding Amount*	Minimum Subsequent Investment Amount*	Subscription Fee*	Redemption Fee*	Conversion Fee	ISIN code
A Class	Accumulation	N/A	N/A	N/A	0%	0%	0%	LU1388853720

\* The Board of Directors has the discretion, from time to time, to waive any applicable Minimum Initial Investment, Minimum Holding Amount, Minimum Subsequent Investment Amount, Subscription Fee, Redemption Fee, and Management Fee, provided that the principle of equal treatment of Shareholders is complied with.

## 8. Fees

### a. Administrative Agency fee

UI efa is entitled to receive an administration fee, which is calculated and accrued on each Valuation Day, payable monthly in arrears out of the Sub-Fund's net assets, consisting of a minimum fee of EUR 15,000 plus a variable fee of maximum of 0,015% per annum, based on the Sub-Fund's average net assets of the preceding month.

UI efa is furthermore entitled to receive out of the Sub-Fund's net assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg Customary banking practice.

UI efa will also be compensated for all reasonable out-of-pockets expenses.

### b. Registrar and Transfer Agent fee

UI efa is entitled to receive a fee set per operation (subscription, redemption, conversion or dividend payment) for its standard register services and a fee per account (per year) for its maintenance services.

### c. Investment Management Fee

In consideration of its services as Investment Manager, GVC Gaesco Gestion SGIIC will receive an investment management fee, accrued on each Valuation Day and payable quarterly in arrears, of 0.5% per annum of the average of net assets of the Sub-Fund attributable to each Class.

**d. Investment Advisory Fee**

In consideration of their services, the Investment Advisor will receive an investment advisory fee, accrued on each Valuation Day and payable monthly in arrears, of 0.50% per annum of net assets of the Sub-Fund attributable to each Class,

**e. Performance Fee**

The Management Company is not entitled to receive a performance fee from the assets of the Sub-Fund.

**9. Valuation Day**

The Net Asset Value of each Class of Shares shall be valued as at the Monday of each week (a "**Valuation Day**") and calculated on the following Business Day.

**10. Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 12 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Subscription requests received by the Registrar and Transfer Agent after 12 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

**11. Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than 12 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 12 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within 5 Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

**12. Conversions**

Shareholders have the right to convert all or part of their Shares into Shares of another existing Class of this Sub-Fund or, as applicable, of another Sub-Fund, by applying for conversion in the same manner as for the redemption of Shares and as described in the main part of the prospectus.

### **13. Global Exposure**

This Sub-Fund uses the commitment approach to monitor and measure global exposure.