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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2021-03-09

Commission de Surveillance du Secteur Financier

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# CIRCLE FUND

*Société d'Investissement à Capital Variable*

Prospectus

March

2021

**23 Val Fleuri,  
L-1526 Luxembourg  
Grand Duchy of  
Luxembourg**

## CIRCLE FUND

CIRCLE FUND (the "Fund") is organised as a *société d'investissement à capital variable* ("SICAV") under the laws of the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under the European Parliament and Council Directive 2009/65/EC of 13 July 2009 and has been authorised by the *Commission de Surveillance du Secteur Financier* (the "CSSF") under Part I of the amended Luxembourg Law of 17 December 2010 relating to undertakings for collective investment (the "2010 Law").

The board of directors of the Fund (the "Board") has designated MC Square S.A. as management company of the Fund.

The directors of the Fund (the "Directors") may issue shares of no par value (the "Shares") of different classes (the "Classes"), which relate to different portfolios of assets (the "Sub-Funds"). Subscriptions are only valid if made on the basis of this prospectus (the "Prospectus") issued by the Fund supplemented by a relevant key investor information document (the "KIID"), the latest annual report and the most recent semi-annual report, if published thereafter (collectively known hereinafter as the "Offering Documents").

The Shares are offered on the basis of the information and representations contained in the Offering Documents. All other information given or representations made by any person must be regarded as unauthorised. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Prospective investors in Shares should review this Prospectus carefully and in its entirety and inform themselves as to the possible tax consequences, the legal and regulatory requirements and any foreign exchange restrictions or any applicable exchange control regulations 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 sale of Shares.

Upon request prospective investors may obtain free of charge copies of the Offering Documents and the articles of incorporation of the Fund (the "Articles of Incorporation"). Prospective investors should be provided with a KIID for each Class of Shares in which they wish to invest, prior to subscribing, in compliance with applicable laws and regulations. All the Offering Documents are available at the registered office of the Fund and are also available at the registered office of MC Square S.A.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

References in this Prospectus to "EUR" refer to the currency of the European States participating in the European Monetary Union and references to "USD" refer to Dollar of the United States of America.

The Directors may decide to issue further categories of Shares corresponding to new Sub-Funds. In such a case, this Prospectus shall be amended.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which the Fund's objectives will be achieved. It should be remembered that the price of the Shares of any Sub-Fund may go down as well as up.

**Processing of personal data:** Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Fund and MC Square S.A.\* (the "Controllers") will be processed by the Controllers in accordance with the Privacy Notice referred to in section "Processing of Personal Data", a current version of which is available and can be accessed or obtained online <http://www.mcsquare.lu/wp-content/uploads/2018/05/Privacy-Notice-Policy.pdf>. All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers are invited to and read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controllers.

**United States:** None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "United States" or "US"). The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Accordingly, no Shares are being offered to US Persons or persons who are in the United States at the time the Shares are offered or sold. For the purposes of this Prospectus, a "US Person" includes any natural person or entity that is deemed a US person under US securities and tax law and/or regulations, including, without limitation: (i) an individual who is a resident of the US or a US citizen or US "green card" holder regardless of residence; (ii) an entity organized under US law including any non-US agency or branch of such entity; or (iii) a trust created or organized under US law. This definition shall be amended to the extent required to comply with changes in the US Person definitions under US securities and tax laws and/or regulations including, without limitation, the Foreign Account Tax Compliance Act ("FATCA") so as to cover any US person as defined under FATCA and other relevant US laws and regulations. Should a shareholder become a US Person, they may be subject to US withholding taxes and tax reporting. The current policy of the Fund is that US Persons may not invest in the Fund, and the Fund will seek to prevent the ownership of Shares by non-FATCA compliant entities such as any "specified United States person", "United States owned foreign entity", "recalcitrant account holder" and "non-participating foreign financial institution" as defined within FATCA and related regulations.

## **DIRECTORY**

### **Board of Directors of the Fund**

Olivier Meray  
Head of risk management  
MC Square S.A.  
23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg

Murielle Thunus  
Teacher  
11 Place du Lieutenant Callemeyn  
B-6700 Arlon  
Belgium

Amine Bennis  
CEO  
Bennis Advisory Trading  
48, Boulevard Zerktouni, 1e ét., Ap. 3  
Casablanca  
Morocco

### **Management Company**

MC Square S.A.  
*Société anonyme*  
23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg

### **Board of Directors of the Management Company**

- André Lecoq  
Managing partner  
MC Square S.A.  
23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg
- Karl-Heinz Dick  
Independent director  
53 Tontelerwee  
L-8552 Oberpallen  
Grand Duchy of Luxembourg
- Ntoudi Mouyélo-Katoula  
Independent director  
Kacyiru, KG 647 #50  
Kigali, Rwanda
- Josée-Lynda Denis  
Independent director  
13, rue Jean-Pierre Beicht  
L-1226 Luxembourg

Grand Duchy of Luxembourg

**Conducting officers of the Management Company**

- André Lecoq, *Administrateur Délégué*
- Alexandre Hecklen, *Chief Operations Officer*
- Olivier Meray, *Head of risk management*

**Registered Office**

23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg

**Depositary Bank and Paying Agent**

Quintet Private Bank (Europe) S.A.  
43, Boulevard Royal  
L-2955 Luxembourg  
Grand Duchy of Luxembourg

**Administrative and  
Registrar and Transfer Agent**

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

**Domiciliary Agent**

MC Square S.A.  
*Société anonyme*  
23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg

**Auditor**

Deloitte Audit  
*Société à responsabilité limitée*  
20, Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisers**

Elvinger Hoss Prussen, *société anonyme*  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

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## KEY FEATURES

### The Fund

The Fund is organised as a *société d'investissement à capital variable* in the Grand Duchy of Luxembourg. It is organised as a *société anonyme* under the amended Law of 10 August 1915 on commercial companies (the "1915 Law") and qualifies as an undertaking for collective investment in transferable securities under Part I of the 2010 Law.

The Fund was incorporated under the name "Circle Fund" and under the form of a *société d'investissement à capital variable* for an unlimited period in Luxembourg on 27 December 2018. The minimum share capital of the Fund is EUR 1,250,000.

The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg (the "RCS") under number B231259. The Articles of Incorporation are deposited with the RCS and have been published in the *Recueil Electronique des Sociétés et Associations* of Luxembourg on 28 January 2019. Its principal and registered office is at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

The capital of the Fund is represented by Shares of no par value and shall at any time be equal to the total net assets of the Fund.

The assets of each Sub-Fund are segregated and not available to meet the liabilities of another. In the case when any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds, pro rata to the net asset values of each Sub-Fund (the "Net Asset Value").

Any person who would like to receive further information regarding the Fund or contact the Fund, should consult our website: [www.mcsquare.lu](http://www.mcsquare.lu).

### Sub-Funds and Classes of Shares

As of the date of this Prospectus, the Fund offers Shares in the following Sub-Funds: CIRCLE FUND – Performance Fund.

The Directors may further decide to launch other Sub-Funds (and as a result new Classes of Shares in such other Sub-Funds), their data sheet will be disclosed in an updated version of this Prospectus.

Each Sub-Fund shall be made up of a separate group of investments maintained and invested in accordance with the investment objectives applicable to such Sub-Fund, as specified herein.

For the historical performance of the Sub-Funds, please refer to the KIIDs relating to the relevant Shares. (N.B. historical performance is not an indication of future performance.)

The Fund issues different Classes of Shares for each Sub-Fund. The proceeds of the different Classes of Shares are invested in accordance with the specific investment policy of each Sub-Fund.

Not all the Classes of Shares may be available in all Sub-Funds.

The Fund retains the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Fund also reserves the right to

adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

The Directors are authorised without limitation to issue fully paid-up Shares of any Class at any time.

The application form available to investors will set out the Classes of Shares that are offered for each Sub-Fund.

## **INVESTMENT OBJECTIVE OF THE FUND**

The objective of the Fund is to offer the shareholders the possibility of participating in the professional management of portfolios of transferable securities and/or of other financial assets, as defined in the investment policy of each Sub-Fund and further detailed in the relevant data sheets.

Investment in the Fund shall be considered as a medium- to long-term investment. There is no guarantee that the investment objectives of the Fund will be achieved.

Investments in the Fund are subject to normal market fluctuations and to the risks inherent in all investments and there is no guarantee that investments in the Fund will be profitable. The intention of the Fund is that the Fund maintains a diversified portfolio in order to mitigate the investment risks.

This section provides information to the investors on the integration of sustainability risks and sustainability factors (meaning environmental, social and governance ("ESG")) in the investment manager's investment process according to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

The investment process is not driven by ESG considerations and the investment manager invests in companies/issuers, regardless of potential ESG impacts as the investment manager does not consider sustainability risks, nor adverse impacts of investment decisions on sustainability factors in its investment process.

The investment manager considers that applying ESG criteria to its investment process reduces the investment universe and therefore excludes certain companies/issuers and the potential choice of UCITS or other targets UCIs, which forces it to ignore the possibilities of investments offering attractive risk-adjusted return opportunities.

Furthermore, the investment manager considers that evaluating security or issuer based on ESG criteria involves additional risks which he is not willing to take into consideration at the present stage (please refer to the "Risks related to investments that meet ESG criteria" of this Prospectus).

Unless otherwise specified for a particular Sub-Fund in respective appendices, the Sub-Funds do not promote environmental and/or social characteristics and do not have a sustainable investment as their objective (as provided by articles 8 and 9 of the SFDR). In the event of the addition of a sub-fund, please refer to the section "Risks related to investments that meet ESG criteria". Furthermore, the present section and the section "Risks related to investments that meet ESG criteria" may be adapted if an ESG sub-funds is added.

## **RISKS ASSOCIATED WITH INVESTING IN THE FUND**

Before making a decision to subscribe to Shares of the Fund, all investors are advised to read carefully the information contained in the Prospectus and to take into account their personal, financial and tax situation, both current and future. Any investor should pay particular attention to the risks described in this section, in the data sheets and in the KIID. The risk factors listed below may, individually or collectively, reduce the return earned on an investment in Shares of the Fund and may result in the partial or total loss of the value of the investment in Shares of the Fund.

The Fund draws investors' attention to the fact that an investor may only fully exercise his investor rights against the Fund in the case where the investor himself appears in his own name in the register of shareholders of the



Fund. In cases where an investor invests in the Fund through an intermediary investing in the Fund in its name but on behalf of the investor, certain rights pertaining to a shareholder may not necessarily be exercised by the investor directly vis-à-vis the Fund. Investors are advised to inform themselves of its rights.

The investment value in Shares of the Fund may increase and decrease and it is not guaranteed in any way whatsoever. Shareholders run the risk that the redemption price of their Shares, and the amount of the liquidation proceeds of their Shares, respectively, may be significantly lower than the price that the shareholders paid to subscribe in Shares of the Fund.

An investment in Shares of the Fund is exposed to risks, which may include or be associated with equity and bonds, exchange, rates, credit, counterparty and volatility as well as political risks and to risks of force majeure occurrences. Each type of risk can also occur in conjunction with other risks.

The risk factors listed in the Prospectus and the KIIDs are not exhaustive. Other risk factors may exist which an investor should take into consideration with regard to his personal situation and particular current and future circumstances.

Investors should also be fully aware of the risks associated with an investment in Shares of the Fund and to secure the services of their legal, tax or financial adviser, auditor or other adviser in order to be fully informed of (i) the suitability of an investment in these Shares based on their personal financial and tax situation and particular circumstances, and (ii) the information contained in the Prospectus, the data sheets and the KIIDs, before making an investment decision.

The diversification of the portfolios of the Sub-Funds is intended to manage and limit the risks without, however, excluding them. There is no guarantee that a management strategy used by the Fund and having proved successful in the past will continue to prove successful in the future. Similarly, past performance does not guarantee future performance. The Fund cannot therefore guarantee that the objectives of the Sub-Funds will be achieved and that investors will recover the amount of their initial investment.

### **Market risk**

This is a general risk which affects all types of investment. Changes in the price of securities and other instruments are mainly determined by changes in financial markets and by the economic development of issuers, themselves affected by the general situation of the world economy and by economic and political conditions prevailing in their countries.

### **Risk associated with equity markets**

The risks associated with investing in equity (and related instruments) include significant fluctuations in prices, negative information on the issuer or the market and the subordinate nature of shares with regard to bonds issued by the same company. Short-term fluctuations may also be extreme. The risk that the performance of one or several companies declines or stagnates may have a negative impact on the portfolio as a whole at any given time.

Certain Sub-Funds may invest in companies subject to an initial public offering. The risk in this case is one of greater volatility in Share price as a result of factors such as the absence of a previous liquid market, secondary issue of capital, the limited number of marketable securities and the lack of information about the issuer.

Sub-Funds investing in growth securities may be more volatile than the market as a whole and may react differently to the economic and political developments of the market and specific to the issuer. Growth securities traditionally show higher volatility than other securities, especially over very short periods. Such securities may also trade at a higher price relative to their earnings than the market in general. Consequently, growth securities may react more violently to variations in their profit growth.

### **Risk associated with investments in bonds, debt securities, fixed income products (including high yield bonds) and convertible bonds**

For Sub-Funds investing in bonds or other debt securities, the value of these investments will depend on market interest rates, the credit rating of the issuer and liquidity. The Net Asset Value of a Sub-Fund investing in debt securities will fluctuate depending on interest rates, the perception of the issuer's credit rating, liquidity of the market and also exchange rates (when the investment currency is different from the reference currency of the Sub-Fund holding this investment). Certain Sub-funds may invest in high-yield bonds, of which the level of income generated may be relatively high compared to investment in higher quality debt securities; however, the risk of depreciation and realisation of loss of capital on such debt securities may be higher than that on better quality debt securities at lower yield.

Investments in convertible bonds are sensitive to the fluctuations in the prices of the underlying Shares ("share component" of convertible bonds) while offering a certain form of protection of part of the capital ("bond floor" of convertible bonds). The capital protection will be even weaker than the importance of the share component. The corollary is that when the market value of convertible bonds has increased substantially following an increase in the price of the underlying Share price, their risk profile will be closer to that of a Share. By contrast, the risk profile of convertible bonds whose market value has fallen to the level of its bond floor as a result of a drop in the price of the underlying shares, shall be closer to that of normal bonds.

Convertible bonds, like all other types of bonds, are subject to the risk that the issuer cannot meet its obligations as regards paying interest and/or repaying the principal at maturity (credit risk). The perception of the market of the increased probability of this risk occurring for a given issuer may cause a substantial decrease in the market value of the bonds and thus the protection offered by the bond content of convertible bonds.

### **Risk associated with investment in emerging markets**

Payment suspensions and failures in developing countries are due to various factors such as political instability, poor economic management, a lack of currency reserves, capital flight, internal conflicts or absence of political will to pursue debts previously incurred.

The capacity of private sector issuers to meet their obligations may also be affected by these same factors. Moreover, these issuers suffer the effects of decrees, laws and regulations enacted by government authorities. Examples include changes to exchange controls and to the legal and regulatory regime, expropriations and nationalisations, the introduction of or increase in taxes, such as withholding tax.

Liquidation or transaction clearing systems are often less well organised than in developed markets. The resultant risk is that the liquidation or clearing of transactions is delayed or cancelled. It may be that the market practice requires the payment of a transaction to be effected prior to the receipt of securities or other instruments acquired, or that the delivery of securities or other instruments sold is made before receipt of payment. In such circumstances, the counterparty default through which the transaction is carried out or liquidated may incur losses for the Sub-Fund investing in these markets.

The uncertainty associated with the unclear legal environment or the incapacity to establish definitive and legal rights of ownership are another determining factor. Add to that the lack of reliability of information sources in these countries, the non-compliance of accounting methods with international standards and the absence of financial or commercial controls.

At present, investments in Russia are subject to increased risks concerning the ownership and safekeeping of Russian securities. It may be that the ownership and custody of securities is evidenced only by records in the books of the issuer or the registrar (which is neither an agent of nor responsible to the Depositary). No certificates representing the ownership of securities issued by Russian companies will be held by the Depositary or by a local

correspondent of the Depository or by a central depository. In light of these market practices and in the absence of effective regulation or controls, the Fund may lose its status as owner of securities issued by Russian companies due to fraud, theft, destruction, negligence, loss or disappearance of the securities in question. Furthermore, because of market practices, it is possible that Russian securities must be deposited with Russian institutions that do not always have adequate insurance to cover the risk of losses due to theft, destruction, loss or disappearance of such securities on deposit.

### **Concentration risk**

Some Sub-Funds may concentrate their investments in one or more countries, geographical areas, economic sectors, asset classes, types of instruments or currencies, such that these Sub-Funds may be affected by events of an economic, social, political or tax nature with regard to the countries, geographical areas, economic sectors, asset classes, types of instruments or currencies concerned.

### **Interest rate risk**

The value of an investment may be affected by fluctuations in interest rates. Interest rates may be influenced by a number of factors or events, such as monetary policies, discount rates, inflation, etc. The investor's attention is drawn to the fact that the increase in interest rates results in a decrease in the value of investments in bonds and debt securities.

### **Credit risk**

This risk may result from the downgrading of the credit rating of an issuer of bonds or debt securities, thus causing the value of the investments to fall. This risk is associated with the ability of an issuer to pay its debts.

The downgrading of the rating of an issue or issuer may result in a decrease in the value of the debt securities concerned, in which the Sub-Fund is invested. Bonds or debt securities issued by entities with a low rating are generally considered securities at a greater credit risk and probability of default by the issuer than those of issuers with a higher rating. When the issuer of bonds or debt securities is in financial or economic difficulty, the value of the bonds or debt securities (which may become nul) and payments made on account of these bonds or debt securities (which may become nul) may be affected.

### **Hedging Transactions Risk**

The Management Company from time to time employ various hedging techniques. The success of the Fund's hedging strategy will be subject to the Management Company's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. For a variety of reasons, the Management Company may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

### **Data Risk**

Given the complexity of the investments and strategies of the Fund, the Management Company relies on models and information and data supplied by third parties ("Models and Data"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging the Fund's investments. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon

expose the Fund to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

### **Foreign exchange risk**

If a Sub-Fund holds assets denominated in currencies other than its reference currency, it can be affected by changes in rates of exchange between the reference currency and these other currencies or by possible changes to exchange rate controls. If the currency in which a security is denominated appreciates against the reference currency of the Sub-Fund, the security's equivalent value in the reference currency will also appreciate. Conversely, a depreciation in this same currency will result in a depreciation in the equivalent security.

When the Sub-Fund carries out hedging transactions against the foreign exchange risk, the full effectiveness of these transactions cannot be guaranteed.

### **Currency Hedged Classes of Shares**

Currency Hedged Classes of Shares will apply hedging techniques aimed to mitigate foreign exchange risk between the base currency of a Sub-Fund and the currency of the relevant Currency Hedged Class of Shares, while taking into account practical considerations including transaction costs. All expenses arising from hedging transactions are borne separately by the Shareholders of the relevant Currency Hedged Class of Shares.

Unless specifically provided otherwise in the Information Sheet relating to a Sub-Fund, Classes of Shares not denominated in the base currency of the Sub-Fund will systematically (as described below) hedge their currency exposure to the base currency of the Sub-Fund in the forward currency market, whether the class currency exposure of the Currency Hedged Class of Shares is declining or increasing in value relative to the base currency of the Sub-Fund.

Whilst holding Shares of a Currency Hedged Class of Shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the base currency of the Sub-Fund against the class currency of the Currency Hedged Class of Shares, holding such Shares may also substantially limit the benefits of the investor in case of favourable movements. Investors should note that it will not be possible to always fully hedge the total Net Asset Value of the Currency Hedged Class of Shares against currency fluctuations of the base currency of the Sub-Fund, the aim being to implement a currency hedge equivalent to between at least 95% of the portion of the Net Asset Value of the Currency Hedged Class of Shares which is to be hedged against currency risk and 105% of the Net Asset Value of the respective Currency Hedged Class of Shares. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily surpassing the limits set out above. In such cases, the currency hedge will be adjusted without undue delay. The Net Asset Value per Share of the Currency Hedged Class of Shares does therefore not necessarily develop in the same way as that of the Classes of Shares in the base currency of the Sub-Fund. It is not the intention of the Board of Directors to use the hedging arrangements to generate a further profit for the Currency Hedged Class of Shares.

Investors should note that while there is no legal segregation of profits and losses between individual Classes of Shares within a Fund, from an accounting perspective the profits and losses arising from share class hedging transactions are applied on a continuous basis to the individual hedged Classes of Shares by the Administrative Agent. Although the net asset value of the non-hedged Share Classes should not be affected by profits or losses arising from hedging transactions of the Currency Hedged Class of Shares as a result of this accounting treatment, because there is no legal segregation of the profits and losses between individual Classes of Shares within a Sub-Fund, in exceptional circumstances, other Classes of a Sub-Fund may be impacted by the Currency

Hedged Class of Shares. An up-to-date list of the Classes with a contagion risk is available upon request at the registered office of the Fund.

### **Commodities Risk**

Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodity linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

### **Liquidity risk**

There is a risk that investments made in the Sub-Funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or even substantial changes in price); or if their "rating" declines or if the economic situation deteriorates; therefore, these investments may not be bought or sold quickly enough to prevent or minimize a loss in the Sub-Funds. Finally, there is a risk that securities traded on a narrow market segment, such as the small cap companies' market, are prey to significant price volatility.

### **Counterparty risk**

When concluding OTC contracts, the Fund may be exposed to risks associated with the creditworthiness of its counterparties and with their ability to comply with the conditions of these contracts. The Management Company may thus enter into forward, swap and options contracts or even use other derivative techniques each carrying the risk that the counterparty will not fulfil its commitments under these contracts.

### **Risks associated with derivative instruments**

In the context of the investment policy described in each Sub-Fund's data sheet, the Management Company may use derivative financial instruments. These products may not only be used for hedging purposes, but may also be part of the investment strategy in order to optimise yield. The use of derivative financial instruments may be limited by market conditions and applicable regulations and may involve risks and costs to which the compartment using them would not have been exposed without the use of these instruments. The risks inherent in the use of options, foreign currency contracts, swaps, futures contracts and options on these include: (a) the fact that success depends on the accuracy of the analysis of the Management Company relating to changes in interest rates, prices of securities and/or money market instruments as well as currency markets; (b) the existence of an imperfect correlation between the price of options and futures contracts and options thereon and the changes in prices of securities, money market instruments or currencies being hedged; (c) the fact that the skills required to use these derivative financial instruments differ from the skills necessary for the selection of portfolio securities; (d) the possibility of an illiquid secondary market for a particular instrument at any given time; and (e) the risk that a Sub-Fund may find that it is unable to buy or sell a portfolio security during favourable periods, or will have to sell a portfolio asset in unfavourable conditions. When a Sub-Fund carries out a swap transaction, it is exposed to counterparty risk. The use of derivative financial instruments also holds a risk associated with their leverage effect. This leverage is achieved by investing a modest amount of capital to purchase derivative financial instruments as opposed to the cost of directly acquiring the underlying assets. The higher the leverage, the greater the variation in the cost of the derivative financial instrument will be marked in case of fluctuation in the price of the underlying asset (with regard to the subscription price determined under the conditions of the derivative financial instrument). The potential and the risks of these instruments thus increase in parallel with the strengthening of the leverage. Finally, there is no assurance that the objective sought, through these derivative financial instruments, will be achieved.

### **Risks associated with securities lending transactions**

The main risk associated with securities lending transactions is that the borrower of the securities becomes insolvent or is unable to return the borrowed securities and that simultaneously the value of the pledged collateral does not cover the cost of replacing the securities which were lent.

In the event of reinvestment of the pledged collateral, the value of the reinvested collateral may decrease to a level lower than the value of the securities lent by the Fund.

Investors' attention is also drawn to the fact that the Fund lending securities waives its right to vote at meetings attached to the securities on loan for the entire lending period of such securities.

### **Short Sale Risk**

The Fund may take a short position in a derivative instrument, such as a future or forward. A short position on a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying instrument. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses.

### **Taxation**

Investors should be mindful that (i) the proceeds of sale of securities in some markets or the receipt of dividends or other income may be or become burdened with taxes, duties or other fees or charges imposed by the authorities of this market, including withholding tax; and/or (ii) investments in the Sub-Fund may be burdened with specific taxes or charges imposed by the authorities of certain markets. The tax legislation and practice of some countries in which the Sub-Fund invests or may invest in the future are not clearly established. It is therefore possible that the current interpretation of the law or understanding of a practice might change, or that the law might be changed with retrospective effect. It is thus possible for the compartment to be burdened with additional taxation in such countries, even though such a tax was not anticipated at the date of this Prospectus or the date at which investments were made, valued or sold.

### **Risk associated with investments in Shares of UCIs**

Investments made by the Fund in Shares of undertakings for collective investment ("UCIs") (including investments by certain Sub-Funds of the Fund in shares of other Sub-Funds of the Fund) expose the fund to risks associated with the financial instruments that these UCIs hold in the portfolio and which are described above. Some risks, however, are specific to the holding by the Fund of Shares of UCIs. Some UCIs may use leverage effects either through the use of derivatives or through borrowing. The use of leverage increases the volatility of the cost of these UCIs and thus the risk of loss of capital. Most UCIs provide for the possibility to suspend the redemptions temporarily in specific circumstances of an exceptional nature. Investments made in Shares of UCIs may therefore present a more significant risk of liquidity than a direct investment in a securities portfolio. On the other hand, investment in Shares of UCIs allows the Fund more flexible and effective access to different styles of professional management and to a diversification of investments. A Sub-Fund investing mainly through UCIs will ensure that its UCI portfolio presents appropriate liquidity features to enable it to meet its own redemption obligations.

Investment in Shares of UCIs may involve the doubling of certain costs in the sense that, in addition to charges in the sub-fund in which an investor is invested, the investor in question pays a portion of fees collected at the level of the UCI in which the sub-fund invests.

The Fund offers investors a choice of portfolios which may have different degrees of risk and therefore, in principle, and therefore a different perspective of long-term total return in relation to the degree of risk accepted.

The investor will find the degree of risk of each Class of Shares offered in the KIIDs.

The greater the degree of risk, the more the investor must have a long-term investment horizon and be willing to accept the risk of a significant loss of capital. That said, the lowest level of risk is not synonymous with a risk-free investment.

### **Exchange Traded Funds Risk**

Because Exchange Traded Funds ("ETFs") trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. An ETF is subject to the risks of the assets in which it invests as well as those of the investment strategy it follows. The Fund incurs brokerage costs when it buys and sells shares of an ETF and also bears its proportionate share of the ETF's fees and expenses, which are passed through to ETF shareholders.

### **Risk related to investment in absolute return funds/hedge funds**

The risks associated to investments by the Sub-Fund in UCIs pursuing absolute return strategies will be in particular, but not limited to:

- liquidity shortage
- suspension of the Net Asset Value
- volatility of the investments made
- effects of investments or redemptions made by the investors of the UCIs or UCITS
- use of specific techniques by UCIs or UCITS or their investment managers
- use of leverage
- risks due to investments in financial instruments

Nevertheless, the risks connected with investments in underlying funds are limited to the loss of the investment made by the relevant Sub-Fund.

### **Risks related to investment in currencies**

The Sub-Fund's investments may be acquired directly or indirectly in other national currencies than its reference currency. This can have negative impact on the relevant Sub-Fund depending on volatility in currency markets. The Sub-Fund may seek to, but shall not be obliged to, minimize the exposure to currency fluctuation risks by the use of hedging. Investors should be aware that currency hedging strategies may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in Classes of Shares hedged may have exposure to currencies other than the currency of their Class of Shares.

### **Volatility Risk**

The Fund may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the Fund's Net Asset Value per share to experience significant increases or declines in value over short periods of time.

## **Operational risks**

Operational risks are connected to the risk management process of the Management Company including different features and quality of the trading settlement and valuation procedures operated by the Management Company/investment manager(s), which may increase the chances of losses due to human or technical errors. Operational risk also covers external factors such as legal risks, political risks and risks related to documentation.

## **Risks related to investments that meet ESG criteria**

Investments made by the Fund according to ESG criteria, including exclusion criteria, may lead to a deliberate restriction of the possible investment universe and, as a result, the waiver of investment opportunities, and underweighting of certain securities or a reduction in exposure resulting from the application of these non-financial criteria. The application of ESG criteria may in some cases result in more concentrated portfolios.

In addition, the adoption of ESG criteria, which is a factor of medium and long-term sustainability, may undermine short-term profit. As a result, ESG sub-funds may perform differently from similar sub-funds that do not follow these non-financial criteria. The application of ESG criteria and their evolution may lead the Fund to have to sell a security held prematurely, despite the financial performance of the security.

When evaluating a security on the basis of ESG criteria, the Investment Manager may use information, reports, selections, ratings, analyses and ESG data received by a third party. These may be incomplete, inaccurate or even unavailable. Thus, the Investment Manager may evaluate a security on the basis of incomplete or inaccurate information, or, in the event of unavailability, may not be able to conduct such an evaluation. In addition, the Investment Manager may not correctly interpret or apply the relevant ESG criteria. Neither the Fund nor the Investment Manager can guarantee, explicitly or implicitly, the fairness, accuracy, reasonableness or completeness of the evaluation of the ESG criteria.

Finally, investors should note that exclusions and restrictions on investments based on ESG criteria may not directly reflect their subjective ethical views. For further information regarding if the sub-fund applies sustainability risks, investors should refer to the section "Investment objective of the Fund" of this Prospectus.

## **MANAGEMENT**

### ***Board of Directors***

The board of directors of the Fund (the "Board") is responsible for the Fund's overall management and control including the determination of the investment policy of each Sub-Fund.

### ***Management Company***

The Board has appointed MC Square S.A. to serve as designated management company of the Fund within the meaning of the 2010 Law (the "Management Company").

The Management Company is responsible, subject to the overall supervision of the Board, 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 7 October 1998 for an unlimited duration. The Management Company is approved as management company in accordance with Chapter 15 of the 2010 Law. The Management Company has a subscribed and paid-up capital of EUR 500,000.

The Management Company is managed by its board of directors.

As of the date of the Prospectus, MC Square S.A. has also been appointed to act as management company for other funds and can be appointed in the future to act as management company for other funds. The list of funds



managed by the Management Company is set out in the Management Company's annual reports and may be obtained from the Management Company upon request.

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Fund or with its Articles of Incorporation;
- are in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks; and
- appropriately balance fixed and variable components of total remuneration.

The remuneration of the employees having a significant influence on the risk profile of the Management Company is composed of a fixed part and of a variable part. The fixed part is determined according to the seniority of the employee within the Management Company, his competences, his professional experience, his qualifications and implication in the tasks he is responsible for. The variable part remunerates the quantitative and qualitative realizations measured in combining the evaluation of the performance of the employee compared to his objectives and to the objectives of his department. The variable part takes as well into account the benefits of the Management Company, the global economic situation and the market conditions.

The board of directors of the Management Company is as well responsible for determining the general principles governing the remuneration policy of the Management Company and for taking care of its implementation. The board of directors of the Management Company shall approve the remuneration policy determined by the management committee.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at <http://www.mcsquare.lu/wp-content/uploads/2018/01/CPL-3-Remuneration-policy.pdf>. A paper copy is available free of charge upon request at the Management Company's registered office.

The rights and duties of the Management Company are governed by the 2010 Law and the Management Company Agreement entered into for an unlimited period of time. 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.

In accordance with applicable laws and regulations and with the prior consent of the Board, and, to the extent required by applicable law, of the CSSF, the Management Company is empowered to delegate, under its control and responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It being understood that the Prospectus shall, the case being, be amended accordingly. For the time being, the duties of distribution and central administration have been delegated as further detailed here- below.

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

entit(y/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.

The Management Company is entitled to a fee as disclosed in the Sub-Funds data sheets.

## **ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT**

European Fund Administration S.A. has been appointed as central administration, registrar and transfer agent of the Fund ("EFA" or "the Administrative Agent").

The Administrative Agent is a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg and registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 56766.

The Management Company, with the approval of the Fund, has appointed the Administrative Agent as delegated administrative agent. In such capacity, the Administrative Agent will be responsible for all administrative duties required by Luxembourg laws and among others for handling the processing of subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation of the Net Asset Value per Share as well as for the mailing of statements, reports, notices and other documents to the Shareholders of the Fund and/or Sub-fund(s), as applicable, in compliance with the provisions of the Administrative Agent and Registrar and Transfer Agent Agreement.

The rights and duties of EFA as Administrative Agent are governed by the Administrative Agent and Registrar and Transfer Agent Agreement concluded for an unlimited period, and may be terminated by any party by written notice thereof not less than ninety (90) calendar days prior to the date upon which such termination becomes effective, and in certain circumstances, such agreement may be terminated with immediate effect by notice in writing to the other party.

The fees and costs of the Administrative Agent for the above functions are paid by the Management Company and are conform to common practice in Luxembourg. The maximum level of fees and costs payable out of the assets of each Sub-fund to the Administrative Agent is set out in the relevant Sub-fund data sheet.

The Administrative Agent shall be held liable for any actions, costs, claims, direct damages, expenses or legal fees incurred by the Fund or the Management Company to the extent that these are the direct consequences of the Administrative Agent's wilful default, wilful misconduct, fraud, gross negligence or breach of a material term of the Administrative Agent and Registrar and Transfer Agent Agreement. The Fund and/or the Management Company shall be held liable for any actions, costs, claims, direct damages, expenses or legal fees incurred by the Administrative Agent which are direct consequences of a breach by the Fund and/or the Management Company of their duties under the Administrative Agent and Registrar and Transfer Agent Agreement.

## **DOMICILIARY AGENT**

The Board has appointed MC Square S.A. to serve as domiciliary agent of the Company (the "Domiciliary Agent").

The Domiciliary Agent is responsible, subject to the overall supervision of the Board, for the provision of corporate and domiciliary services to the Company.

## **DEPOSITARY**

The Fund has appointed Quintet Private Bank (Europe) S.A. as Depositary of the assets of the Fund, by virtue of an agreement concluded as of 16 January 2019 ("Depositary Agreement").

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-2955 Luxembourg. At 31 December 2019, its capital and reserves amounted at EUR 1.285.125.738,63. As Depositary, Quintet Private Bank (Europe) S.A. will carry out its functions and responsibilities in accordance with the provisions of the 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 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions (the "**UCITS Directive**") and the 2010 Law. The Depositary will, 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 of Incorporation;
- (b) ensure that the value of the shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles of Incorporation;
- (c) carry out the instructions of the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles of Incorporation;
- (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 of Incorporation.

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 of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the 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 not be reused unless specific circumstances, as provided for in the 2010 Law.

In the case of master-feeder structures, when a master UCITS does not have the same depositary as a feeder UCITS, these depositaries must sign an agreement on the exchange of information to comply with their obligations.

In accordance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may, subject to certain conditions and 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 is made available to investors free of charge upon request.

### **Conflicts of interest**

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 its investors.

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 for taking 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 to the Fund 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 interest of its clients, (ii) manage and resolve such conflicts according to the Fund decisions 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 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 sub custody 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 has a significant shareholder stake in European Fund Administration ("EFA") and some members of the staff of the Depositary are members of EFA's board of directors.
  - The staff members of the Depositary in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.
  
- 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.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party with whom the custody of financial instruments are 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.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

The Depositary is entitled to such fees as will be determined from time to time by agreement between the Fund and the Depositary provided such fees are customary for such type of services. The Depositary's fees are based on the average net assets of the relevant Sub-Fund and are payable monthly. These fees are payable on a monthly basis and do not include sub-custodian or similar agents' fees, brokerage and related taxes.

In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable disbursements and costs charged to it by any correspondent bank or other agent (including any clearing system).

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

Pursuant to a paying agency agreement, 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.

## **DESCRIPTION OF SHARES, RIGHTS OF SHAREHOLDERS, DISTRIBUTION POLICY**

### **Form of Shares offered for subscription**

Shares may be issued as registered Shares recorded in the name of the investor in the Shares register. Shares may also be held and processed by a recognised clearing system.

The Shares may be issued in fractions up to one thousandth of one Share.

The Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of its Net Asset Value, is entitled to one vote at all general meetings of shareholders. The Shares are issued without par value and must be fully paid.

### **Features of the Shares offered for subscription**

The following Classes may be issued within the Sub-Funds currently offered for subscription:

- Class A Shares: shares with no minimum initial subscription and holding amounts.
- Class R Shares: shares whose minimum initial subscription amount is specified in the annex of the Sub- Fund.
- Class G Shares: shares distinguished from Class R by a different fees and commissions structure and are reserved for entities linked to MC Square S.A. and/or the investment manager that could be appointed by the Management Company from time to time. Access to this class of Shares is subject to the approval of the Management Company. In addition, this class of Shares is reserved for institutional investors within the meaning of Article 174 (2) of the Law of 2010.
- Class I Shares: shares intended for institutional and professional investors. Unless otherwise decided by the Management Company, Class I Shares are also subject to a minimum initial subscription amount which is disclosed in the data sheet of the relevant Sub-Fund(s).
- Class MC Shares: shares denominated in the reference currency of the Sub-Fund. The shares of class MC are reserved for companies or funds (or their sub-funds) which have appointed MC Square S.A. as their management company under the 2010 Law or as their alternative investment fund manager or which are related to MC Square S.A.
- Class X Shares: shares without a performance fee for Sub-Funds stipulating that the Management Company may receive a performance fee as specified in the data sheets. These Shares are suitable for investors who do not wish to be exposed to performance fees and who therefore accept a higher management fee than the one applied to the corresponding Shares.
- Class Z Shares: shares reserved for institutional investors who have entered into a specific remuneration agreement with the Management Company.

Shares may be issued as accumulation shares or distribution shares. "d" distribution Shares will be entitled to a dividend as decided by the annual general meeting, whereas the corresponding amount for accumulation Shares will not be distributed, but rather invested in the Class of Shares concerned.

In each Sub-Fund, shares issued in currencies other than the Sub-Fund's reference currency may be created and will contain the suffix "hedged" in their denomination. Hedged shares ("hedged") aim to hedge to a large extent the exchange risk in relation to a given currency.

A hedged share is a class of share whose net asset value is hedged against the reference currency of the Sub-Fund in which it is issued. It is generally intended to carry out such hedging through the utilisation of various techniques, including the entering into OTC currency forward contracts or foreign exchange swap agreements. In cases where the underlying currency is not liquid, or where the underlying currency is closely linked to another currency, proxy hedging may be used. All costs and expenses incurred from the currency hedged transactions will be borne on a pro rata basis by all the hedged classes of shares denominated in the same currency issued within the same Sub-Fund.

Investors should be aware that currency hedging techniques may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors holding hedged classes of Shares may have exposure to currencies other than the currency of their class of Shares.

The Classes available for each Sub-Fund are indicated in the data sheet of each Sub-Fund.

## **SUBSCRIPTIONS, REDEMPTIONS, CONVERSIONS AND TRANSFERS OF SHARES**

### **Subscriptions/redemptions/conversions/transfers**

Subscriptions, redemptions, conversions and transfers of Shares of the Fund are carried out in accordance with the provisions of the Articles of Incorporation and in the data sheets of the sub-funds.

Subscriptions, redemptions and conversions are carried out in the currency of the Classes, as mentioned in the data sheet of the Sub-Fund.

Subscription, redemption, conversion and transfer forms can be obtained by simple request:

- from European Fund Administration; and
- from the registered office of the Fund.

Subscription, redemption, conversion and transfer orders on behalf of the Fund should be addressed to European Fund Administration S.A., 2, rue d'Alsace L-1122 Luxembourg, or to the fax number (+352) 48 65 61 8002 according to the terms and conditions listed in the data sheet of the respective Sub-Funds.

Subscribers are informed that certain Sub-Funds or certain Classes may not be accessible to any investor. The Fund thus reserves the right to limit the subscription or acquisition to Sub-Funds or classes to investors which satisfy the criteria defined by the Fund. These criteria, among others, may relate to the country of residence of the investor to allow the Fund to comply with the laws, uses, commercial practices, tax implications or other considerations related to the country in question or to the type of investor (for example, an institutional investor).

### **Restrictions to the subscription and transfer of Shares**

The marketing of Shares of the Fund may be restricted in certain jurisdictions. Persons in possession of the Prospectus must request information from the Fund on such restrictions and ensure that they comply with them.

The Prospectus does not constitute a public offer or a solicitation to acquire Shares in the Fund from persons of jurisdictions in which such a public offering of Shares in the Fund is not authorised or if it can be considered that such an offer is not permitted with regard to that person.

In addition, the Fund and the Management Company have the right:

- at their discretion, to refuse a subscription for Shares,
- to carry out a forced redemption of Shares in accordance with the provisions of the Articles of Incorporation.

### ***Applications***

Shares are and will be offered at the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund on each relevant Valuation Day for that Sub-Fund (as defined in the data sheet of each Sub-Fund).

Application may be made by investors in accordance with either of the methods described below:

- written application to the Fund in Luxembourg on the application form accompanying this Prospectus, or
- written application to a distributor containing the information required by the application form.

Subject to any applicable local laws and regulations, Shares of the Fund may be subscribed directly or by using the nominee services provided by distributors or by local paying agents. Investors who use a nominee service may request direct ownership by submitting an appropriate request in writing to the relevant distributor or local paying agent offering the nominee service. They may also issue instructions to the nominee regarding the exercise of votes conferred by their Shares.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his shareholder rights directly against the Fund, notably the right to participate in general meetings of shareholders, if the investor is registered himself and in his own name in the Fund's Share register. 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.

In cases where an investor chooses to use a nominee service, the distributor or a local paying agent located in a Financial Action Task Force ("FATF") country will subscribe and hold the Shares as a nominee in its own name but for the account of the investor. The distributor or local paying agent will then confirm the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and local paying agents that offer nominee services either are located in countries that have ratified the resolutions adopted by FATF or execute transactions through a correspondent bank located in a FATF country.

The Fund may issue Shares as consideration for a contribution in kind of securities in compliance with the conditions set forth by Luxembourg law, in particular the obligation to obtain a valuation report from an auditor (if required). Should such an operation be carried out, all kind of fees resulting from a contribution in kind of securities will be held by the subscriber.

The Net Asset Value per Share shall be expressed in the currency of denomination of each relevant Share, determined on each relevant Valuation Day by the transfer agent.



The Fund reserves the right to reject any application in whole or in part in the light of market conditions prevailing on one or more stock exchanges or currency markets or for any other reasons, in which case the application moneys or the balance thereof will be returned forthwith to the investor.

Shareholders are required to notify the Fund immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the shareholders or otherwise be detrimental to the interests of the Fund. If the Fund becomes aware that a shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the shareholders or would otherwise be detrimental to the interests of the Fund or that the shareholder has become or is a US Person, the Fund may, in its sole discretion, redeem the Shares of the shareholder in accordance with the provisions of the Articles.

### ***Prevention of Market Timing Practices***

Shares of the Fund are not offered, nor is the Fund managed or intended to serve as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the concerned securities markets. This type of trading activity is often referred to as "market timing" and could result in actual or potential harm to the shareholders of the Fund. Accordingly, the Fund may reject any purchase or conversion of Shares that the Fund reasonably believes may represent a pattern of market timing activity involving the Sub-Funds.

The Management Company may, upon request and within a delay which shall not be less than 48 hours after the latest publication of the Net Asset Value, communicate the composition of the portfolio of the Fund to professional investors who are subject to the obligations deriving from Directive 2009/138/CE (Solvency II).

The information so transmitted shall be considered as strictly confidential and shall be used only for the purpose of calculating prudential requirements in connection with Solvency II. They may under no circumstances entail prohibited practices such as "market timing" or "late trading" from shareholders having been provided with such information.

### ***Redemption of Shares***

Shares may be redeemed at the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund on each relevant Valuation Day.

Shareholders' requests for redemption of Shares must be made in writing to the Fund or to a distributor. Orders for redemption for each Sub-Fund received by the Fund by the relevant Cut-Off Time for that Sub-Fund will be executed at Net Asset Value per Share of the next Valuation Day for that Sub-Fund. A request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions. In the case of redemption requests in excess of 10 per cent of the Net Asset Value of a Sub-Fund on any relevant Valuation Day, the Fund may decide to defer on a pro rata basis the excess redemption amount to the next relevant Valuation Day. In case of a deferral of redemptions, the relevant Shares shall be redeemed at the Net Asset Value per Share prevailing on the relevant Valuation Day on which the redemption is effected. On such Valuation Day such requests shall be complied with by giving priority to the earliest request.

In the case of a suspension of the calculation of the Net Asset Value per Share or a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such suspension or deferral will be redeemed at the Net Asset Value per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

The value of Shares at the time of their redemption may be more or less than their acquisition cost, depending on the market value of the assets held by the relevant Sub-Fund at the time of acquisition and redemption. Any Shares redeemed shall be cancelled.

### **Conversion of Shares**

To the extent permitted in the Sub-Fund Data Sheets, shareholders are entitled to convert all or part of their Shares in any one Sub-Fund into Shares of other Sub-Funds. Shareholders are required to apply for conversion in writing to the Fund or to a distributor setting out which Shares are to be converted, the monetary amount, the number of Shares the shareholder wishes to convert, the personal details and shareholder's account number. Failure to provide any of this information may result in delay of the application for conversion whilst verification is being sought from the shareholder.

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

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

where:

- A number of Shares to be allocated in the New Sub-Fund;
- B number of Shares of the Original Sub-Fund which is to be converted;
- C Net Asset Value per Share of the Original Sub-Fund at the relevant Valuation Day;
- D Net Asset Value per Share of the New Sub-Fund at the relevant Valuation Day;
- E actual exchange rate determined by the Depositary after the calculation of the Net asset Value per Share of the relevant Sub-Funds for the relevant Valuation Day, if the conversion involves Shares denominated in different currencies.

After conversion of the Shares, the EFA will inform the shareholder of the number of Shares of the New Sub-Fund and the price thereof.

Conversion between Classes of Shares or categories of Shares denominated in different currencies within the same Sub-Fund will be effected at the respective Net Asset Value per Share of each Class or category at the relevant Valuation Day.

### **PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM**

Pursuant to international rules and Luxembourg laws and regulations (comprising, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respected amendments or replacements), obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must 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 will not be accepted and in case of redemption, payment of redemption proceeds delayed. 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 only incomplete documentation.

If the Fund, the Registrar and Transfer Agent or any governmental agency believes that the Fund has accepted subscriptions for Shares by, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of any anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organisation, the Fund, the Registrar and Transfer Agent or such governmental agency may freeze or be required by the Fund, the Registrar and Transfer Agent or such governmental agency to freeze the assets of such person or entity invested in the Fund or suspend their redemption rights. The Fund may also be required to remit or transfer those assets to a governmental agency.

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.

## **CHARGES AND EXPENSES**

The Fund will pay fees and expenses to the Management Company, to the Depositary (including fees and expenses of its correspondents abroad), to the Paying Agent and to the Administrative Agent, Domiciliary Agent, the Registrar and Transfer Agent and all other expenses incurred in the operation of the Fund. Fees and expenses to be borne by the Fund will include, without limitations, taxes, expenses for legal, auditing and other professional services, costs of printing prospectuses, KIIDs, proxies, stock certificates, shareholders' reports, risk reports, prospectuses and other reasonable promotional and marketing expenses, expenses of issue, conversion and redemption of Shares and payment of dividend, if any, expenses of the transfer agent, registration fees and other expenses due or incurred in connection with the authorisation by and reporting to supervisory authorities in various jurisdictions, cost of translation of the Prospectus, KIIDs and other documents which may be required in various jurisdictions where the Fund is registered, the fees and out-of-pocket expenses of Directors of the Fund, insurance, interest, listing and brokerage costs, taxes and costs relating to the transfer and deposit of securities or cash, out-of-pocket disbursements of the Management Company, Administrative Agent, the Registrar and Transfer Agent and the Depositary and of all other agents of the Fund and the costs of computation and publication of the Net Asset Value per Share.

The costs and expenses for the formation of the Fund and the initial issue of its Shares will be borne by the first Sub-Funds of the Fund and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses to be amortized over a period not exceeding 5 years.

If in any country in which the Shares are offered, local law or practice requires subscription, redemption and/or conversion orders and relevant money flows to be transmitted via local paying agents, additional transaction charges for any individual order, as well as for additional administrative services, may be charged to the investor by such local paying agents.

## **MEETINGS, REPORTS AND NOTICES**

### ***Meetings***

The annual general meeting of shareholders of the Fund will be held each year in Luxembourg at a date specified in the relevant notice of general meeting and in any case, within six (6) months following the end of the accounting year of the Fund, as disclosed in the Articles of Incorporation. Shareholders of any Class or Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or to such Class. Notices of general meetings and other notices are given in accordance with Luxembourg law. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this shareholder as at the Record Date.

### ***Reports***

Financial periods will end on 31 December in each year and for the first time on 31 December 2019. The annual report, containing the audited consolidated financial accounts expressed in Euro, of the Fund in respect of the preceding financial period and the accounts of the Fund will be made available at its registered office at least 15 days before the annual general meeting. Unaudited semi-annual reports at 30 June will be made available within two months of the relevant date. Copies of all financial reports will be available at the registered office of the Fund and of the distributors, if any. The first report for the Fund will be an unaudited semi-annual report as at 30 June 2019.

### ***Notices***

Notices and relevant communications to shareholders will be published and/or mailed to shareholders according to publication requirements under Luxembourg law. For those shareholders having accepted this form of notices (and to the extent permitted by Luxembourg laws), these notices and communications will instead be sent to the e-mail address communicated previously by the relevant shareholders in accordance with the Articles of Incorporation. In addition, such notices will be published according to the national legal requirements of the countries where the Shares of the Fund are distributed and registered.

## **TAXATION**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### ***Taxation of the Fund***

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Fund is however 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. A reduced subscription tax rate of 0.01% per annum is applicable to Luxembourg undertakings for collective investment (UCIs) whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, (iv) UCITS and UCIs subject to the Part II of the 2010 Law qualifying as exchange traded funds and (v) UCIs and individual compartments thereof with multiple compartments whose main objective is the investment in microfinance institutions.

The Fund is not subject to net wealth tax in Luxembourg.

### ***Withholding tax***

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### ***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:

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

#### *Luxembourg resident corporate*

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 26.01% (in 2019 for entities having their registered office in Luxembourg-City) on the distributions received from the Fund and on the capital gains realised 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, as amended, (ii) specialised investment funds subject to the amended Law of 13 February 2007 on specialised investment funds, or (iii) a reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes) or (iv) family wealth management companies subject to the amended Law of 11 May 2007 on family wealth management companies, as amended, 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 amended Law of 22 March 2004 on securitisation, (iii) an investment company governed by the amended Law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialised investment fund subject to the amended Law of 13 February 2007 on specialised investment funds, as amended (v) a reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the amended Law of 11 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%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

#### *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. The additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be also due by individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

#### ***Automatic Exchange of Information***

The Organization for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted 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 fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law.

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.

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

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

#### ***US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")***

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

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

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;

- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.



## ANNEX 1 - Sub-Fund Data Sheets

### ***I. CIRCLE FUND - Performance Fund***

#### **INVESTMENT POLICY**

##### ***Objective of the Sub-Fund***

The Sub-Fund offers a solution to investors who wish to gain exposure to a broad range of asset classes (equity, corporate and sovereign debt and money market instruments) while seeking a dynamic and flexible exposure to risk according to market conditions and the Management Company's expectations. The Sub-Fund's investment strategy relies on global tendencies and can switch between several exposure modes (long equity, long bonds, neutral, synthetic short equity, ...).

The Sub-Fund's universe of investments currently includes more than 45 global developed and emerging market indices for major asset classes (equities, fixed income, commodities, currencies, and volatility); however, this universe of investments is subject to change under varying market and rules conditions (liquidity, transaction cost, taxes, UCITS eligibility) and as these instruments evolve over time (changes in indices composition).

The objective of the Sub-Fund is to generate regular positive returns, uncorrelated in the long term to traditional asset classes with a volatility less than 14% and a Sharpe ratio greater than 1.4.

The Sub-Fund is not subject to a predetermined country, industry sector, credit rating or market capitalization bias.

There is no guarantee that the investment objective of the Sub-Fund will be met.

##### ***Investment policy***

The Sub-Fund will invest in the most liquid instruments across all asset classes and geographic areas using predominantly (i) futures listed on regulated markets and (ii) in accordance with Article 41 (1) (e) of the 2010 Law, UCITS, ETF and other collective investment schemes which are eligible for investment pursuant to the UCITS Directive (all together hereunder "Underlying Funds") across several asset management groups to achieve this exposure to different asset classes.

A significant portion of the assets of the Sub Fund may be invested directly in money market and fixed income instrument, which may include mutual fund shares, government and corporate bonds, cash and cash equivalent assets.

The Sub-Fund may invest up to 100% of its net assets in money market instruments provided that investments in money market instruments comply at all times with the diversification rules. These cash or cash equivalent holdings serve as collateral for the positions the Sub-Fund takes and also earn income for the Sub-Fund. For the avoidance of doubt, the Sub Fund does not qualify as money market fund within the meaning of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as it may be amended or supplemented from time to time.

The Sub-Fund will have the ability to hedge against directional risk using index futures or currency forwards for hedging purposes.

The Sub-Fund may enter into currency transactions.

**Reference currency**

The Sub-Fund base currency is EUR.

The Net Asset Value of the class "A GBP" will be calculated in GBP.

Class "A GBP" Shares participate in the portfolio according to its entitlements. Class "A GBP" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-GBP currencies in the portfolio in relation to the GBP.

The hedging costs are borne by the Class "A GBP".

The Net Asset Value of the "USD" classes will be calculated in USD.

Class "USD" Shares participate in the portfolio according to its entitlements. Class "USD" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-USD currencies in the portfolio in relation to the USD.

The hedging costs are borne by the "USD" Classes.

**Investor profile**

The Sub-fund may be suitable for investors with a broad attitude to risk looking for a long-term investment opportunity.

**Investment horizon**

Between 3 and 5 years.

**Risk management method**

The Sub-Fund will employ the commitment approach to calculate its global exposure.

**Investment restrictions**

In addition to the limits set out in Annex 2 of the Prospectus, the Sub-Fund will comply with the following investment restrictions:

| Asset class constraints           |                   |              |
|-----------------------------------|-------------------|--------------|
| Exposure                          | Min Exposure      | Max Exposure |
| Equities                          | -40% <sup>2</sup> | 100%         |
| Corporate and Sovereign Debt      | 0%                | 90%          |
| Gold <sup>3</sup>                 | 0%                | 10%          |
| Commodities ETF                   | 0%                | 10%          |
| Volatility futures                | -5% <sup>2</sup>  | 5%           |
| Alternative Investment Strategies | 0%                | 10%          |
| Sum of the exposures              | 0%                | 150%         |

The Sub-Fund will not directly invest in asset-backed securities (ABS) or mortgage-backed securities (MBS).

The Sub-Fund offers to investors a dynamic and flexible exposure to risks according to market conditions and the Management Company's expectations. Each day the Management Company allocates the global exposure to various investment themes, and when it detects a potential market correction it can open net shorts

<sup>2</sup> Negative exposure on this asset class will be achieved by the use of futures.

<sup>3</sup> Gold exposure can only be achieved through the acquisition of stocks issued by mining companies.

positions of equities index futures limited to 40% of exposure. Those short positions are temporary and always on index futures.

***Risk factors***

Risk is inherent in all investing. The value of the investment in the Fund, as well as the amount of return received on the investment may fluctuate significantly over time. Investors are invited to consult Section "Risks associated with investing in the Fund" of the Prospectus to know the potential risks related to investing in this Sub-Fund.

There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

The risks set out in the Prospectus are not purported to be exhaustive.

**FEES AND COSTS TO BE BORNE BY SHAREHOLDERS**

***Entry fee***

Maximum 5% of the subscribed amount payable to the entities and agents active in the marketing and placement of the shares, except for Class "A GBP" for which an entry fee of up to 1% may be levied.

***Exit fee***

Maximum 2% of the reimbursed amount payable to the placement agent and/or the Management Company, except for Class "A GBP" for which an exit fee of up to 5% may be charged.

**FEES AND COSTS TO BE BORNE BY THE SUB-FUND**

***Management Fee***

The management fee is accrued daily on the basis of the average net assets attributable to a share class and is to be paid monthly.

***Performance fee***

As long as the Sub-Fund is in existence, for each class of the Sub-Fund in its respective currency, the Management Company will receive within five Business Days of the last Business Day of each twelve-month period starting on the last Business Day of December (the "Period") an annual performance fee of maximum 20% (excluding taxes) of the performance of the Total Net Asset ("TNA") over the Hurdle Rate ("HR") during the Period.

There is a performance of the TNA over the HR if there is an increase in the TNA compared to the TNA at the end of the accounting year ("Reference TNA") adjusted for subscriptions and redemptions made during the relevant period, and if this increase is higher than the HR applied to the Reference TNA.

The HR is EONIA + 3% for the EUR Classes of Shares, Overnight USD LIBOR+ 3% for the USD Classes of Shares.

The performance fee is crystallized for redemptions and paid to the Management Company. The performance fee will be accrued on each Net Asset Value Calculation and is reverted to the Sub-Fund in case of, and to the extent of, the Net Asset Value falls during the relevant Period. The performance fee is paid out to the Management Company within five Business Days of the last Business Day of each period.

For purposes of applying the performance fee rate, the Management Company begins each twelve-months period with zero gain. If there is a negative performance in net assets at the end of the twelve-months period, it will be carried forward in the following twelve-months period (high watermark principle).

Performance fee provisions realised between two annual closure dates are reversed in case the Net Asset Value of the Sub-Fund decreases.

***Depository fees (excluding transaction costs and related costs)***

The depository will be entitled to a fee of maximum 0.06% p.a. calculated on the basis of the net assets of the Sub-Funds and payable monthly, with an annual minimum of EUR 12,500 per Sub-Fund.

***Administrative agent, domiciliary, registrar and transfer agent fees***

For bookkeeping the Net Asset Value calculation and transfer agent services, the administrative, Domiciliary, registrar and transfer agent will be entitled to a recurring flat fee of up to EUR 30,000 p.a. plus a variable fee of maximum 0.10% p.a. based on the net assets of the Sub-Fund.

For domiciliation services, the Domiciliary Agent will be entitled to a lump sum of EUR 5,000 p.a.

***Other costs and fees***

In addition, the Sub-Fund will meet such other operating costs as mentioned in section "Charges and Expenses".

**MARKETING OF SHARES**

***Classes of shares offered for subscription***

| <b>Classes</b> | <b>Currency</b> | <b>Minimum subscription amount</b> | <b>Management fee (max)</b> |
|----------------|-----------------|------------------------------------|-----------------------------|
| A GBP          | GBP             | Nil                                | 2%                          |
| R EUR          | EUR             | EUR 1.000                          | 1%                          |
| I EUR          | EUR             | EUR 1.000                          | 1%                          |
| G EUR          | EUR             | EUR 500.000                        | 0.75%                       |
| R USD hedged   | USD             | USD 1.000                          | 1%                          |
| I USD hedged   | USD             | USD 1.000                          | 1%                          |
| G USD hedged   | USD             | USD 500.000                        | 0.75%                       |

The R USD hedged, I USD hedged and G USD hedged are Currency Hedged Classes of Shares.

***Form of shares***

Registered shares

***Subscriptions***

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

Shares are available for subscription on each Valuation Day.

Applications must be received by European Fund Administration by 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day.

Subscription proceeds must be received by Quintet Private Bank (Europe) S.A. on an account of the Fund no later than the third Business Day following the relevant Valuation Day.

Applications for Shares received by European Fund Administration after 12.00 noon (Luxembourg time) the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

### ***Redemption***

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received on any Valuation Day by the Registrar and Transfer Agent after 12.00 noon (Luxembourg time) on the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

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

### ***Valuation day***

The Net Asset Value of each Class of Shares is determined on each Wednesday (a "Valuation Day") and calculated on the Business Day following such Valuation Day. If such Valuation Day is not a Business Day the Net Asset Value will be determined on the following Business Day.

In addition, the Net Asset Value per Share of each Class will be determined as of the last Business Day of each month for statistical and reporting purposes only. Requests for subscriptions and redemptions based upon such Net Asset Value shall therefore not be accepted by the Registrar and Transfer Agent.

### ***Business Day***

A Business Day is a day on which banks are normally open for business in Luxembourg except for 24 December in each year.

### ***Publication of Net Asset Value***

At the registered office of the Fund.

### ***Dividend Policy***

The Sub-Fund will not distribute dividends.

## **CONTACT**

### ***Subscriptions, redemption and transfers***

European Fund Administration  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

***Request for documentation***

MC SQUARE S.A.

23, Val Fleuri

L-1526 Luxembourg

Grand Duchy of Luxembourg

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European Fund Administration

2, rue d'Alsace

L-1122 Luxembourg

Grand Duchy of Luxembourg

## **II. CIRCLE FUND - Fixed Income Fund**

### **INVESTMENT POLICY**

#### ***Objective of the Sub-Fund***

The investment objective of the Sub-Fund is to achieve above average risk adjusted returns with low market volatility.

There is no guarantee that the investment objective of the Sub-Fund will be met.

#### ***Investment policy***

The assets of the Sub-Fund will be allocated either directly or indirectly through UCITS and/or other UCIs amongst various categories within the fixed income markets. The Sub-Fund may invest up to 100% of its net assets in units and/or shares of UCITS and/or other UCIs. The Sub-Fund will be exposed to money market instruments and transferable securities including but not limited to short and long dated treasury securities, emerging markets sovereign debt instruments, high grade corporate debt instruments, high yield debt instruments, convertible securities, fixed or floating rate bonds and notes, debentures, commercial paper, certificates of deposits, structured securities, exchange traded funds, UCITS and other UCIs composed of one, some or all of the above and closed end funds composed of one, some or all of the above.

Issuers will include governments, governmental agencies, commercial banks, corporations and other non-governmental issuers.

The Sub-Fund may use financial derivative instruments (including but not limited to futures, options, forwards and credit default swaps) for investment purposes and in order to hedge the portfolio's risk (such as credit duration and interest rate risks).

In addition, the Sub-Fund may invest its assets in cash or cash equivalents, money market instruments and debt instruments issued by governmental issuers.

#### ***Reference currency***

The Sub-Fund base currency is EUR.

The Net Asset Value of the Class "I USD" will be calculated in USD.

Class "I USD" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-USD currencies in the portfolio in relation to the USD.

The hedging costs are borne by the Class "I USD".

The Net Asset Value of the "GBP" classes will be calculated in GBP.

Class "GBP" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-GBP currencies in the portfolio in relation to the GBP.

The hedging costs are borne by the "GBP" Classes.

The Net Asset Value of the class "I CHF" will be calculated in CHF.

Class "I CHF" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-CHF currencies in the portfolio in relation to the CHF.

The hedging costs are borne by the Class "I CHF".

#### ***Investor profile***

The Sub-Fund may be suitable for investors who wish to invest in a portfolio targeting above average risk adjusted returns with a low aversion to risk.

#### ***Investment horizon***

Between 1 and 2 years.

**Risk management method**

Commitment approach.

**Investment restrictions**

Investors are invited to consult Annex 2 "Investment Restrictions" of the Prospectus, to know the investment restrictions applicable to the Fund.

**Risk factors**

Investors are invited to consult Section "Risk associated with investing in the Fund" of the Prospectus to know the potential risks related to investing in this Sub-Fund.

**FEES AND COSTS TO BE BORNE BY SHAREHOLDERS****Entry fee**

Maximum 1% of the subscribed amount payable to the entities and agents active in the marketing and placement of the shares.

**Exit fee**

Maximum 1% of the reimbursed amount payable to the placement agent and/or the Management Company, except for Class "A GBP" for which an exit fee of up to 5% may be levied.

**FEES AND COSTS TO BE BORNE BY THE SUB-FUND****Management Fee**

The management fee is accrued daily and is to be paid monthly.

For Class A shares: max. 2% p.a. on the basis of the average net assets attributable to Class A shares.

For Class I shares: max. 0.5% p.a. on the basis of the average net assets attributable to Class I shares.

For Class R shares: max 0.5% p.a., on the basis of the average net assets attributable to Class R shares.

**Performance fee**

No performance fee.

**Depositary fees (excluding transaction costs and related costs)**

The depositary will be entitled to a fee of maximum 0.06% p.a. calculated on the basis of the net assets of the Sub-Funds and payable monthly, with an annual minimum of EUR 12,500 per Sub-Fund.

**Administrative agent, domiciliary, registrar and transfer agent**

For bookkeeping, the Net Asset Value calculation and transfer agent services, the Administrative, Domiciliary, registrar and transfer agent will be entitled to a recurring flat fee of up to EUR 30,000 p.a. plus a variable fee of maximum 0.10% p.a. based on the net assets of the Sub-Fund.

For domiciliation services, the Domiciliary Agent will be entitled to a lump sum of EUR 5,000 p.a.

**Other costs and fees**

In addition, the Sub-Fund will meet such other operating costs as mentioned in section "Charges and Expenses".



## MARKETING OF SHARES

### *Classes of shares offered for subscription*

| <b>Classes</b> | <b>Currency</b> | <b>Minimum subscription amount</b> | <b>Management fee (max)</b> |
|----------------|-----------------|------------------------------------|-----------------------------|
| A GBP          | GBP             | Nil                                | 2%                          |
| R EUR          | EUR             | EUR 1.000                          | 0,5%                        |
| I EUR          | EUR             | EUR 1.000                          | 0,5%                        |
| I USD          | USD             | USD 1.000                          | 0,5%                        |
| I GBP          | GBP             | GBP 1.000                          | 0,5%                        |
| I CHF          | CHF             | CHF 1.000                          | 0,5%                        |

### **Form of shares**

Registered Shares.

### **Subscriptions**

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

Shares are available for subscription on each Valuation Day.

Applications must be received by European Fund Administration by 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day.

Subscription proceeds must be received by Quintet Private Bank (Europe) S.A. on an account of the Fund no later than the third Business Day following the relevant Valuation Day.

Applications for Shares received on by European Fund Administration after 12.00 noon (Luxembourg time) on the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

### **Redemption**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received on by the Registrar and Transfer Agent after 12.00 noon (Luxembourg time) on the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

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

### **Valuation day**

The Net Asset Value of each Class of Shares is determined on each Wednesday (a Valuation Day) and calculated on the Business Day following such Valuation Day. If such Valuation Day is not a Business Day the Net Asset Value will be determined on the following Business Day.

**Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

**Publication of Net Asset Value**

At the registered office of the Fund.

**Dividend Policy**

The Sub-Fund will not distribute dividends.

**CONTACT*****Subscriptions, redemptions and transfers***

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

***Request for documentation***

MC SQUARE S.A.  
23 Val Fleuri  
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L-1122 Luxembourg  
Grand Duchy of Luxembourg

### **III. CIRCLE FUND - Numeraire UCITS Fund**

#### **INVESTMENT POLICY**

##### ***Objective of the Sub-Fund***

The Sub-Fund offers a solution to investors who wish to achieve a total return through the active management of long and short equity positions, with exposure primarily to major European, Japanese, and US companies, and through the use of derivatives.

The Sub-Fund aims to deliver an average annual net return of 10 to 12%, without correlation to general market performance, while minimizing risk by holding annualized volatility at a low targeted rate of 7 to 9%.

Short-term performance may deviate significantly from long-term averages, and therefore, an investment horizon of at least 24-36 months is advised.

The Sub-Fund is not subject to a predetermined industry sector, credit rating or market capitalization bias.

There is no guarantee that the investment objective of the Sub-Fund will be met.

##### ***Investment policy***

The Management Company uses statistical analysis of financial data to take long and short positions in selected liquid stocks representing the best portfolio, with the objective of maximizing returns for a given target level of annualized volatility, while minimizing correlation to overall market performance.

The Sub Fund will hold up to 1000% gross equity exposure, either directly or through derivatives, to highly liquid equities traded on major European, Japanese, and US exchanges. The Sub Fund exposure may be obtained entirely through the use of derivatives such as (i) contracts for difference (ii) futures listed on regulated markets and (iii) in accordance with Article 41 (1) (e) of the 2010 Law, UCITS, ETF and other collective investment schemes which are eligible for investment pursuant to the UCITS Directive (all together hereunder "Underlying Funds") across several asset management groups to achieve this exposure to different asset classes and as a result the Sub-Fund may hold up to 100% of its assets in cash and cash equivalents.

For the European exchanges, the Sub-Fund mainly invests through EUREX and Euronext. For the US exchanges, the Sub-Fund mainly invests through New York Stock Exchange and NASDAQ. Tokyo Stock Exchange is mainly used for the Japanese market. The Sub-Fund will invest in several hundred of highly liquid stocks through listed contracts for difference and listed futures, a huge majority will have a exposure between 0 and 5% of the total net asset value for long positions and -5% and 0% for short positions.

The Sub-Fund will typically get exposure to long positions of up to 500%, and short positions (achieved through derivatives) of up to 500% of net assets. Net market exposure will be flexibly managed and will typically range from net short 20% to net long 80% depending on the Management Company's outlook.

A significant portion of the assets of the Sub Fund may be invested directly in money market and fixed income instrument, which may include mutual fund shares, government and corporate bonds, cash and cash equivalent assets.

The Sub-Fund may invest up to 100% of its net assets in money market instruments provided that investments in money market instruments comply at all times with the diversification rules. These cash or cash equivalent

holdings serve as collateral for the positions the Sub-Fund takes and also earn income for the Sub-Fund. For the avoidance of doubt, the Sub Fund does not qualify as money market fund within the meaning of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as it may be amended or supplemented from time to time.

The Sub-Fund will have the ability to hedge against directional risk using index futures or currency forwards for hedging purposes.

The Sub-Fund may enter into currency transactions.

***Reference currency***

The Sub-Fund base currency is USD.

The Net Asset Value of the "EUR" classes will be calculated in EUR. The Net Asset Value of the "CHF" classes will be calculated in CHF.

Class "EUR" and "CHF" Shares participate in the portfolio according to their entitlements. Class "EUR" and "CHF" Shares shall be hedged to protect them as far as possible against exchange rate movements of non-EUR currencies in the portfolio in relation to the EUR and CHF, respectively.

The hedging costs are borne by the "EUR" and "CHF" Classes.

***Investor profile***

The Sub-fund may be suitable for investors with a broad attitude to risk looking for a long-term investment opportunity.

***Investment horizon***

Between 2 and 3 years.

***Risk management method***

The Sub-Fund will employ the absolute VaR approach to calculate its global exposure.

The expected level of leverage for the Sub-Fund, calculated on the basis of the sum of the notionals, is 500%, although higher levels of leverage are possible. However leverage is not expected to exceed 1000% of its Net Asset Value.

***Risk factors***

Risk is inherent in all investing. The value of the investment in the Sub-Fund, as well as the amount of return received on the investment may fluctuate significantly over time. Investors are invited to consult Section "Risks associated with investing in the Fund" of the Prospectus to know the potential risks related to investing in this Sub-Fund and in particular the following risks:

- Risks associated with equity markets
- Credit risks
- Operational risks
- Risks associated with derivative instruments

There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

The risks set out in the Prospectus are not purported to be exhaustive.

Risks linked to use of leverage:

The use of derivative instruments involves certain risks that could have a negative effect on the performance of the Compartments.

Derivative instruments may have a considerable leverage effect.

Leverage may increase the volatility of the Compartment's net asset value and may amplify losses which could become significant and potentially cause a total loss of the net asset value in extreme market conditions. The extensive use of financial derivatives instruments may lead to a considerable leverage effect.

## **FEES AND COSTS TO BE BORNE BY SHAREHOLDERS**

### ***Entry fee***

Maximum 2% of the subscribed amount payable to the entities and agents active in the marketing and placement of the shares.

### ***Exit fee***

Maximum 1% of the reimbursed amount payable to the placement agent and/or the Management Company.

## **FEES AND COSTS TO BE BORNE BY THE SUB-FUND**

### ***Management Fee***

The management fee is accrued daily on the basis of the average net assets attributable to a share class and is to be paid monthly.

### ***Performance fee***

The Performance fee is accrued daily on the basis of the net assets attributable to each share class and is paid to the Management Company for services on an annual basis (the "Performance Period"), provided that the Net Asset Value per Share of the Sub-Fund at the end of the Performance Period is above the "High Water Mark". The "High Water Mark" is the greater of (i) the Net Asset Value per Share at the end of any Performance Period where a Performance Fee has been paid or (ii) the Subscription Price.

$$PF = ((NAV2 - NAV1)) \times PR$$

Where

PF = the applicable Performance Fee in at the relevant Performance fee payment date.

PR = Performance rate for each share class as defined below under "*Classes of shares offered for subscription*"

NAV1= the highest of Net Asset Value of the Sub-Fund at the last Performance fee payment date and the Subscription Price

NAV2= Net Asset Value of the Sub-Fund at the end of each financial year before Distribution and Performance Fee

Distribution = dividends distributed to Shareholders if any

The performance fee is crystallized for redemptions and paid to the Management Company. The performance fee will be accrued on each Net Asset Value Calculation and is reverted to the Sub-Fund in case of, and to the extent of, the Net Asset Value falls during the relevant Performance Period. The performance fee is paid out to the Management Company within five Business Days of the last Business Day of each Performance Period.

***Depository fees (excluding transaction costs and related costs)***

The Depository will be entitled to a fee of maximum 0.06% p.a. calculated on the basis of the net assets of the Sub-Funds and payable monthly, with an annual minimum of EUR 15,000 per Sub-Fund.

***Administrative agent, domiciliary, registrar and transfer agent fees***

For bookkeeping the Net Asset Value calculation and transfer agent services, the administrative, Domiciliary, registrar and transfer agent will be entitled to a recurring flat fee of up to EUR 30,000 p.a. plus a variable fee of maximum 0.10% p.a. based on the net assets of the Sub-Fund.

For domiciliation services, the Domiciliary Agent will be entitled to a lump sum of EUR 5,000 p.a.

***Other costs and fees***

In addition, the Sub-Fund will meet such other operating costs as mentioned in section "Charges and Expenses".

**MARKETING OF SHARES**

***Classes of shares offered for subscription***

| <b>Classes</b> | <b>Currency</b> | <b>Minimum subscription amount</b> | <b>Management fee (max)</b> | <b>Performance Fee</b> |
|----------------|-----------------|------------------------------------|-----------------------------|------------------------|
| R USD          | USD             | USD 1.000                          | 2%                          | 20%                    |
| I USD          | USD             | USD 100.000                        | 1.5%                        | 15%                    |
| R EUR hedged   | EUR             | EUR 1.000                          | 2%                          | 20%                    |
| I EUR hedged   | EUR             | EUR 100.000                        | 1.5%                        | 15%                    |
| R CHF hedged   | CHF             | CHF 1.000                          | 2%                          | 20%                    |
| I CHF hedged   | CHF             | CHF 100.000                        | 1.5%                        | 15%                    |
| Founder        | USD             | USD 100.000                        | 1%                          | 12%                    |

The R EUR hedged, I EUR hedged, R CHF hedged, and I CHF hedged are Currency Hedged Classes of Shares.

***Form of shares***

Registered shares

*Initial Subscription Price:*

R USD: 100 USD

R EUR hedged: 100 EUR

R CHF hedged: 100 CHF

I USD: 100 000 USD

I EUR hedged: 100 000 EUR

I CHF hedged: 100 000 CHF

Founder: 100 000 USD

**Subsequent Subscriptions**

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

Shares are available for subscription on each Valuation Day.

Applications must be received by European Fund Administration by 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day.

Subscription proceeds must be received by Quintet Private Bank (Europe) S.A. on an account of the Fund no later than the third Business Day following the relevant Valuation Day.

Applications for Shares received by European Fund Administration after 12.00 noon (Luxembourg time) the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

**Redemption**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 12.00 noon (Luxembourg time) at the latest, the full bank business day preceding the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received on any Valuation Day by the Registrar and Transfer Agent after 12.00 noon (Luxembourg time) on the full bank business day preceding the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

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

**Valuation day**

The Net Asset Value of each Class of Shares is determined each Business Day (a "Valuation Day") and calculated on the Business Day following such Valuation Day.

**Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg except for 24 December in each year.

**Publication of Net Asset Value**

At the registered office of the Fund.

**Dividend Policy**

The Sub-Fund will not distribute dividends.

## CONTACT

### *Subscriptions, redemption and transfers*

European Fund Administration  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

### *Request for documentation*

MC SQUARE S.A.  
23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg  
[info@mcsquare.lu](mailto:info@mcsquare.lu)

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg



## ANNEX 2 - Investment Restrictions

Applicable to all Sub-Funds

### Section I

- 1) The investments of the Fund must comprise only one or more of the following:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC;
  - b) transferable securities and money market instruments dealt in on another market in a Member State of the European Economic Area (a "Member State") which is regulated, operates regularly and is recognised and open to the public;
  - c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public;
  - d) recently issued transferable securities and money market instruments, provided that:
    - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public;
    - such admission is secured within one year of issue;
  - e) shares or units of UCITS authorised according to UCITS Directive and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
    - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
    - the level of protection for unit-holders or shareholders in such other UCIs is equivalent to that provided for unit-holders or shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
    - no more than 10% of the assets of the UCITS or 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;
  - f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
  - g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying exposure consists of instruments covered by this Section, paragraph (1), financial indices (within the meaning of Article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592), interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund's constitutional documents;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - 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 initiative of the Fund, such valuation method will be approved by the auditors;
- h) money market instruments other than those dealt in on a regulated market, which fall under Article 1 of the 2010 Law, 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 a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a), (b) or (c) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community 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 Community 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 indents above and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) The Fund shall not, however:
- a) invest more than 10% of the assets of each Sub-Fund in transferable securities and money market instruments other than those referred to in paragraph (1);
  - b) acquire either precious metals or certificates representing them.

The Fund may hold ancillary liquid assets.

- 3) The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

## **Section II**

- 1) The Fund may invest no more than 10% of the assets of each Sub-Fund in transferable securities or money market instruments issued by the same body and hold more than 20% of the assets of each Sub-Fund in deposits made with the same body.

The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of the assets of each Sub-Fund when the counterparty is a credit institution referred to in Section I, paragraph 1) f) or 5% of the assets of each Sub-Fund in other cases.

- 2) The total value of the transferable securities and money market instruments held by each Sub-Fund of the Fund in the same issuer in which it invests more than 5% of the assets must not exceed 40% of the value of the net assets of such Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervisions.

Notwithstanding the individual limits laid down in paragraph (1), the Fund may not combine, where this would lead to investing more than 20% of its assets in a single body, in any of the following:

- investments in transferable securities or money market instruments issued by that body,
- deposits made with that body, or
- exposures arising from OTC derivative transactions undertaken with that body.

- 3) The limit laid down in the first sentence of paragraph (1) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.

- 4) The limit laid down in the first sentence of paragraph (1) may be raised to a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the European Union and which 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 the Fund invests more than 5% of the assets of each Sub-Fund in bonds referred to in the first subparagraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of each Sub-Fund.

- 5) The transferable securities and money market instruments referred to in paragraphs 3) and 4) are not included in the calculation of the limit of 40% referred to in paragraph 2) above.

The limits set out in paragraphs 1), 2), 3) and 4) above may not be combined, and therefore investments in transferable securities or money market instruments issued by the same body and deposits or derivative instruments made with this same body in accordance with paragraphs 1), 2), 3) and 4) may not exceed a total of 35% in aggregate of the assets of each Sub-Fund.

Companies which are included in the same group for the purposes 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 Article.

The Fund may cumulatively invest up to 20% of the assets of each Sub-Fund in transferable securities and money market instruments issued by entities within the same group.

### Section III

**The Fund is authorised to invest, in accordance with the principle of risk-spreading, up to 100% of the assets of each Sub-Fund in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, any other member state of the OECD, Brazil, Singapore, Russia, Indonesia, South Africa or public international bodies of which one or more Member States of the European Union are members.**

**The Sub-Fund shall hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of its total assets.**

### Section IV

- 1) Except if otherwise provided for in the investment policy of a Sub-Fund, the Fund may acquire units or shares of UCITS and/or other UCIs referred to in Section I, paragraph (1) (e), provided that no more than 10% in aggregate of the assets of each Sub-Fund (unless otherwise specified in the Sub-Fund's data sheet) are invested in the units or shares of UCITS or other UCIs or in one single such UCITS or other UCI.

When a Sub-Fund is authorised to invest more than 10% of its net assets in units or shares of UCITS and/or other UCIs, the following restrictions shall apply:

- (a) the Sub-Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other UCI;
- (b) the Sub-Fund's investments in non-UCITS UCI may not, in aggregate, exceed 30% of the Sub-Fund's Net Asset Value;
- (c) the Sub-Fund may not invest in a UCITS or other UCI which is not itself prohibited from investing more than 10% of its net asset value in other UCIs.

The underlying investments held by the UCITS or other UCI in which a Sub-Fund invests do not have to be considered for the purpose of the investment restrictions set forth under Section II. above.

- 2) When a Sub-Fund invests in the units or shares of another UCITS or other UCI managed, directly or indirectly by delegation, by the Management Company or the investment manager (or any other legal entity connected to the Management Company) or by a company with which it (or any other legal entity connected to the Management Company) is linked by common management or control, or by a substantial direct or indirect holding (each, a "Related Fund"), the Sub-Fund may not be charged subscription or redemption fees with respect to the units or shares of such a Related Fund.
- 3) A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the Fund ("Target Sub-Fund(s)") provided that:
- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
  - no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in aggregate in units of other UCITS and other UCIs; and
  - the Investing Portfolio may not invest more than 10% of its net assets in Shares of a single Target Portfolio; and
  - voting rights, if any, attaching to the Shares of the Target Sub-Funds are suspended for as long as

- they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the period reports; and
- in any event, for as long as the Shares are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the 2010 Law.

## Section V

- 1) The Fund may not acquire any shares carrying voting rights, which would enable it to exercise significant influence over the management of an issuing body.
- 2) Moreover, each Sub-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;
  - 25% of the units or shares of the same UCITS or other UCI within the meaning of Article (2) of the 2010 Law;
  - 10% of the money market instruments of any single issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of bonds or of money market instruments or the net amount of the instruments in issued cannot be calculated.

- 3) Paragraphs 1) and 2) are waived as regards:
  - a) Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - b) Transferable securities and money market instruments issued or guaranteed by a non- Member State of the European Union;
  - c) Transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - d) Shares held by the Fund in the capital of a corporate entity incorporated in a non-Member State of the European Union 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. This derogation, however, shall apply only if in its investment policy the company from the non-Member-State of the European Union complies with the limits laid down in Section II, III and V (paragraphs 1 and 2). Where the limits set in Section II and III are exceeded, Article 49 of the 2010 Law shall apply *mutatis mutandis*;
  - e) Shares held by one or more investment companies in the capital of subsidiary companies which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

## **Section VI**

- 1) The Fund may not borrow; however, the Fund may acquire foreign currency by means of a back-to-back loan.
- 2) By way of derogation from paragraph 1), the Fund may borrow the equivalent of:
  - a) Up to 10% of the assets of each Sub-Fund provided that the borrowing is on a temporary basis;
  - b) Up to 10% of the assets of each Sub-Fund provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of the Fund's business; in this case, these borrowings and those referred to in sub-paragraph a) may not in any case exceed 15% of the assets of each Sub-Fund in total.

## **Section VII**

- 1) The Fund may not grant loans to or act as guarantor for third parties.
- 2) Paragraph (1) shall not prevent the Fund from acquiring transferable securities or money market instruments or other financial instruments referred to in Section I, paragraph (1) e), g) and h) which are not fully paid.

## **Section VIII**

The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Section I, paragraph 1) e), g) and h).

The Fund may from time to time impose further investment restrictions as shall be compatible with, or in the interests of the shareholders, in order to comply with the laws and regulations of the countries in which the units are distributed.

The restrictions set forth above shall apply only at the time an investment is made. If the restrictions are exceeded as a result of any event other than the making of an investment, the situation shall be remedied, taking due account of the interests of the shareholders.

### ***Investment Techniques and Instruments***

The Fund may employ techniques and instruments relating to transferable securities and other financial liquid assets for efficient portfolio management, investment, hedging or other risk management purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in Annex 2 "Investment Restrictions" and in particular must take into account the securities underlying the derivative instruments used by the Sub-Funds when calculating the investment limits described in the previous Annex.

The Fund may also enter into swaps (such as interest rates swaps or total return swaps).

A swap is a contract (typically with a bank or a brokerage firm) to exchange two streams of payments (for example, an exchange of floating rate payments for fixed payments). A Sub-Fund may enter into swap contracts under the following restrictions:

- each of these swap contracts shall be entered into with first class financial institutions, subject to prudential supervision that specialize in these types of transactions; and
- all such permitted swap transactions must be executed on the basis of industry accepted documentation/standardized documentation, such as the ISDA Master Agreement.

In particular, subject to the investment restrictions set forth above, and on an ancillary basis, the Sub-Funds may enter into total return swaps for efficient portfolio management and for hedging purposes: total return swaps, are contracts in which one party receives interest payments on a reference asset plus any capital gains and losses over the payment period, while the other receives a specified fixed or floating cash flow unrelated to the credit worthiness of the reference asset, especially where the payments are based on the same notional amount. The reference asset may be any asset, index, or basket of assets.

The Fund may use efficient portfolio management ("EPM") techniques for the purpose of reducing risks and/or costs, and/or to increase capital returns. In doing so, it will ensure that any resulting transactions comply with the Investment Restrictions set out in Annex 2, and that any potential exposure is fully covered by cash or other assets sufficient to meet any financial obligations that could arise. When the Fund uses derivative instruments for the purposes of EPM, it will ensure that the risks associated with using these techniques are adequately covered by the Fund's Risk Management Process and Policy (see section on "Global Risk Exposure and Risk Management" below) and do not significantly alter the risk profile of the relevant Sub-Fund. Risk exposures arising from OTC financial derivative transactions and EPM techniques are combined when calculating the Fund's counterparty risk exposures.

The Fund will aim to ensure that the use of EPM is consistent with the best interests of shareholders. However, use of EPM may on occasion give rise to increased counterparty or market risk, and also to potential conflicts of interest, for example if affiliate companies are used.

All of the revenues arising from the use of EPM, net of direct and indirect operational costs, will be returned to the Fund.

Under no circumstances shall any of these operations cause a Sub-Fund to diverge from its investment objectives set out in the Prospectus.

Furthermore, the Fund may also enter into securities lending and borrowing transactions provided that they comply with the following rules.

However, as of the date of the Prospectus, no Sub-Fund is authorized to enter into securities lending transactions, optional repurchase transactions, reverse repurchase agreements/repurchase agreements, margin lending transactions and total return swaps within the meaning of Regulation (EU/2015/2365) on transparency of securities financing transactions and of reuse. Should any Sub-Fund be authorised at a later stage to enter into any of these transactions, the Prospectus will be updated accordingly.

### **1) Securities Lending and Borrowing**

The Fund may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the Luxembourg Regulatory

Authority as equivalent to those provided by EU law, in exchange for a securities lending fee. To limit the risk of loss to the Fund, the borrower must post in favour of the Fund collateral representing at any time, during the lifetime of the agreement, not less than the mark-to-market value of the securities lent, together with a margin of 5% (or 7% in the case of bonds issued in a different currency from the original loan) in favour of the Fund. The amount of collateral is valued daily to ensure that this level is maintained.

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

Collateral may consist of cash, or securities or instruments permissible under Luxembourg law or regulations, such as (i) liquid assets and/or (ii) sovereign OECD debt securities, (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (iv) shares or units issued by UCITS investing in debt securities issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index, (vi) direct investment in debt securities or shares with the characteristics mentioned in (iv) and (v).

Cash collateral can be reinvested under the conditions stated below.

The Fund may pay fees to third parties for services in arranging such loans, as such persons may or may not be affiliated with the Fund, or any investment manager as permitted by applicable securities and banking law. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such technique. Information relating to the identity of these third parties and to the revenues arising from and the direct and indirect operational costs and fees incurred in relation to securities lending transactions as well as any relationship they may have with the Depository Bank shall be disclosed in the annual reports of the Fund.

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, a Sub-Fund could experience delays in recovering its securities and may possibly incur a capital loss. A Sub-Fund may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the securities lending counterparty at the conclusion of the securities lending contract. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## **2) OTC financial derivative instruments**

The Fund manages the collateral it receives in relation to transactions in OTC financial derivative instruments in accordance with the terms of the relevant ISDA Master Agreement and Credit Support Annex ("CSA").

Under the terms of each ISDA Master Agreement and Credit Support Annex, all collateral received by the Fund to mitigate counterparty risk arising from OTC derivative transactions must be in the form of either cash or highly liquid, high grade securities which are independent of the OTC derivative counterparty and traded on a regulated market or multilateral trading facility, with transparent pricing in order to ensure that the collateral can be sold quickly at a price that is close to the pre-sale valuation. Collateral is valued on a mark-to-market basis at least daily. At present, it is the Fund's practice only to use cash collateral in relation to its OTC financial derivative transactions.



Risks linked to the management of collateral, including counterparty, market, legal and operational risks, are identified, managed and mitigated in accordance with the Fund's risk management process and the investment limits set out in Annex 2 ("Investment Restrictions"). In addition, Section 3) below sets out the Collateral Policy and Section 4) below sets out the Fund's policy on the reinvestment of cash received as collateral.

**3) Collateral Policy**

Assets received from counterparties in securities lending activities, reverse repurchase transactions, and OTC derivative transactions other than currency forwards constitute collateral.

Collateral shall comply with applicable regulatory standards, in particular CSSF circular 13/559 regarding the ESMA guidelines on ETFs and other UCITS issues.

This collateral must be given in the form of (i) liquid assets and/or (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (iii) shares or units issued by specific money market UCIs, (iv) shares or units issued by UCITS investing in bonds/shares issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares admitted to or dealt in on a regulated market or on a stock exchange of a member state of the OECD provided that they are included in a main index, (vi) direct investment in bonds and shares with the characteristics mentioned in (iv) and (v).

The collateral must be valued on a daily basis. The cash collateral may be reinvested within the limits and conditions of CSSF Circular 14/592.

Collateral may be offset against gross counterparty exposure provided it meets applicable regulatory standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral its value is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral.

The level of margin (also referred to as "haircut") may fluctuate depending on various factors, such as, but not limited to, the type of collateral received (equities or bonds), the type of issuers (governments or companies as well as on the correlation between the transactions and the collateral received in respect thereof and short term fluctuation in the value of the exposure and of the collateral. Collateral levels should be maintained so as to ensure that the net counterparty exposure remains within the limits provided under sub-section 1) Securities lending and borrowing above.

| <b>Eligible Collateral</b>                             | <b>Haircut applicable</b> |
|--|---------------------------|
| Cash (same currency as the Sub-Fund's currency)        | 0%                        |
| Cash (different currency than the Sub-Fund's currency) | between 1% and 5%         |
| Government Bonds                                       | between 1% and 10%        |
| Equity   | 25%                       |

**4) Reinvestment of cash received as collateral**

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

A Sub-Fund may reinvest collateral received in the form of cash subject to the following conditions:

- (1) The reinvestments may only be made in:
  - (i) deposits with credit institutions having their registered office in an EU Member State or if the credit

institution has its registered office in a third country, it must be subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

- (ii) high quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and to the extent that the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) shares or units issued by short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

(2) The financial assets other than bank deposits and units or shares of short-term money market UCIs acquired by means of reinvestment of cash received as collateral, must be issued by an entity not affiliated to the counterparty.

(3) Short-term bank deposits and debt securities referred to in (i) through (ii) above must be eligible investments within the meaning of Article 41 (1) of the 2010 Law.

(4) The reinvestment of cash received as collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral.

(5) If the short-term bank deposits referred to in (3) are likely to expose the Sub-Fund to a credit risk vis-à-vis the Depositary, the Sub-Fund must take this into consideration for the purpose of the limits on deposits prescribed by the Annex 2 "Investment Restrictions" of this Prospectus.

(6) The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Sub-Fund's global exposure. Any reinvestment of collateral provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.

(7) Reinvestments must be specifically mentioned with their respective value in an appendix to the financial reports of the Fund.

(8) Where there is a title transfer, the collateral received should be held by the Depositary of the UCITS. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

## **5) Repurchase Agreements and Reverse Repurchase Agreements**

The Fund may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Fund can act either as purchaser or seller in repurchase or reverse repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

(1) The Fund may not buy or sell securities using a repurchase or reverse repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialising in this type of transaction subject to prudential supervision rules considered by the Luxembourg Regulatory Authority as equivalent to those provided by EU law.

(2) During the life of a repurchase or reverse repurchase agreement contract, the Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

(3) As the Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase or reverse repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

The Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations.

However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

### **Global Risk Exposure and Risk Management**

The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its Sub-Funds.

In relation to financial derivative instruments the Fund must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives and the Fund shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

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

In the framework of the risk management process, either the commitment approach, or relative or absolute "value-at-risk" approach (hereinafter "VaR") may be used to manage and measure the global risk exposure of each Sub-Fund. The choice of the approach used is based on the investment strategy of each Sub-Fund and on the type and on the complexity of the financial derivative instruments in which the relevant Sub-Fund may invest, and also the proportion of financial derivative instruments held by the Sub-Fund.

The commitment approach measures the overall risk exposure linked to investment in financial derivative instruments and other investment techniques (taking into account the netting and hedging effects), which shall not exceed the Net Asset Value. Pursuant to this approach, each financial derivative instrument is in principle converted to the market value of an equivalent investment in the underlying asset to this financial derivative instrument.

The VaR measures the maximum expected loss taking into account a given confidence level and a given period. The VaR calculation is processed on the basis of a unilateral confidence interval of 99% and a twenty day time horizon.

When using relative VaR, the calculated overall global risk exposure related to the whole portfolio investments of the relevant Sub-Fund does not exceed twice the VaR of the reference portfolio.

When using absolute VaR, the VaR of the relevant Sub-Fund is limited to a maximum of 20% of its Net Asset Value.

The expected level of leverage for each Sub-Fund using VaR is indicated for each Sub-Fund in the data sheet of the relevant Sub-Fund. In certain circumstances, this level of leverage may however be exceeded. The method used for determining the expected level of leverage of these Sub-Funds is based on the sum of the notionals.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Annex 2 "Investment Restrictions" and "Financial Techniques and Instruments", in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Annex 2 "Investment Restrictions", under section II.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in Annex 2 "Investment Restrictions" under section II.

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 section.

Whenever risk management processes, adequate to perform the functions described above are employed on behalf of the Fund by the Management Company in managing the Sub-Fund (s), they are deemed to be employed by the Fund.

Responsibility for the risk-management process of the Fund has been delegated to the Management Company which is also in charge of the permanent risk management function.

#### ***Breach of Restrictions***

If the limitations set forth above 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 remedy of that situation, taking due account of the interest of its shareholders.

#### ***European Market Infrastructure Regulation ("EMIR")***

As a financial counterparty to exchange-traded and OTC derivative transactions, the Fund is subject to certain trade reconciliation and reporting requirements under EMIR which came into force during 2013. The Fund has established an appropriate control framework which is designed to ensure compliance with these requirements.

## ANNEX 3

### **Further Information**

#### **Net Asset Value Determination**

The Net Asset Value of the Fund's assets in each Sub-Fund (the "Net Asset Value") and the related Net Asset Value per Share of each relevant Sub-Fund and Class of Shares will be determined on the basis of the closing market prices on each bank business day in Luxembourg ("Valuation Day").

The Net Asset Value per Share of each Class of Shares for all Sub-Funds is determined by dividing the value of the total assets of the Sub-Fund allocable to such Class of Shares less the liabilities of the Sub-Fund properly allocable to such Class of Shares by the total number of Shares of such Class outstanding on any Valuation Day.

The assets of the Fund shall be deemed to include:

- i) all cash balances and deposits, including any interest accrued thereon;
- ii) all bills and demand notes and accounts receivable (including proceeds of securities sold but not settled);
- iii) all bonds, time notes, shares, stock, units/shares in undertakings for collective investment, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Fund;
- iv) all stock, stock dividends, cash dividends and cash distributions receivable by the Fund to the extent that information thereon is reasonably available to the Fund (provided that the Fund may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, exrights, or similar practices);
- v) 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;
- vi) the launch expenses of the Fund insofar as the same have not been written off, provided that such preliminary expenses may be written off directly from the capital of the Fund; and
- vii) all other permitted assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

- i) the value of any cash balances or deposits, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Fund may consider appropriate in such case to reflect the true value thereof;
- ii) the value of securities, money market instruments and/or financial derivative instruments which are listed on any official stock exchange or dealt in on any other regulated market are valued at the last available price in accordance with the Fund's current accounting policies;
- iii) in the event that any of the securities, including money market instruments or financial derivative instruments held by the Fund's portfolio on the relevant day are not listed on any stock exchange or dealt in on any other regulated market or if, with respect to securities, money market instruments and/or financial derivative instruments listed on any stock exchange or dealt in on any other regulated market, the basis of the price as determined pursuant to sub-paragraph (ii) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith;

- iv) the financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Fund in accordance with market practice;
- v) units or shares in open-ended investment funds shall be valued at their last available net asset value reduced by any applicable redemption charge;
- vi) the value of money market instruments neither listed or dealt in on a stock exchange nor dealt in on any other regulated market shall be based on the nominal value plus any accrued interest or an amortised cost basis;
- vii) in the event that the above mentioned calculation methods are inappropriate or misleading, the Directors may adjust the value of any investment or permit another method of valuation to be used for the assets of the Company; and
- viii) in circumstances where the interests of the Fund or its Shareholders so justify (for example, the avoidance of market timing practices), the Directors have delegated to the Management Company the discretion to take appropriate measures, such as applying a fair value pricing methodology, to adjust the value of the Fund's assets.

Any assets or liabilities expressed in terms of currencies other than the reference currency of the relevant Sub-Fund are translated into the reference currency at the prevailing market rate at the time of valuation.

The Net Asset Value per Share shall be calculated up to 2 decimals.

The Fund shall include in the financial reports its audited consolidated accounts that will be expressed in USD.

During the existence of any state of affairs which, in the opinion of the Board, makes the determination of the Net Asset Value of a Sub-Fund in its reference currency either not reasonably practical or prejudicial to the shareholders of the Fund, the Net Asset Value may temporarily be determined in such other currency as the Board may determine.

The Net Asset Value per Share of each Class within each Sub-Fund may be obtained at the registered office of the Fund. In addition, the Net Asset Value per Share of each Class within each Sub-Fund will be published in any country where the Fund is registered for distribution according to the national legal requirements.

For the purposes of the calculation of the Net Asset Value per Share of any Share Class of each Sub-fund, all applications for subscription, redemption, switch or conversion of Shares of any Sub-fund, as well as all contributions received in consideration for the issuance of Shares and all proceeds paid in consideration for the redemption or transfer of Shares shall be taken into account. In respect of Net Asset Value calculation errors, the materiality threshold and the de minimis rules set forth in CSSF Circular 02/77 relating to the protection of investors in case of net asset value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to UCIs, the Administrative Agent will comply with the specific requirements of such CSSF Circular 02/77, to the extent applicable to it.

### ***Swing Pricing Adjustment***

A Sub-Fund may suffer dilution of the Net Asset Value per Share due to investors buying or selling Shares in a Sub-Fund at a price that does not reflect the dealing and other costs that arise when security trades are undertaken by the Management Company to accommodate cash inflows or outflows.

In order to enhance the protection of existing shareholders, a policy may be adopted at a later stage by the Board to allow price adjustments as part of the regular daily valuation process to mitigate the impact of dealing and other costs on occasions when these are deemed to be significant.

In order to achieve this, a swing pricing mechanism may be adopted to protect the interests of shareholders of each Sub-Fund. If on any Valuation Day, the aggregate net transactions in Shares of a Sub-Fund exceed a pre-determined threshold, as determined and reviewed for each Sub-Fund on a periodic basis by the Board, the Net Asset Value per Share may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The threshold is set by the Board taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of the Sub-Funds, the application of which will be triggered mechanically and on a consistent basis. The adjustment will be upwards when the net aggregate transactions result in an increase of the number of Shares. The adjustment will be downwards when the net aggregate transactions result in a decrease of the number of Shares.

The adjusted asset value will be applicable to all transactions on a given Valuation Day. The swing pricing mechanism may be applied across each Sub-Fund provided that this is specifically indicated in Annex I for the relevant Sub-Fund. The extent of the price adjustment will be set by the Board to reflect dealing and other costs. Such adjustment may vary for the various Sub-Funds and will not exceed 1% of the original Net Asset Value per Share. As such price adjustments will be in response to significant cash flows rather than normal volumes, it is not possible to accurately predict whether a price adjustment will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently such price adjustments will need to be made.

The expenses of a Sub-Fund are calculated on the basis of the Net Asset Value of the relevant Sub-Fund and are not impacted by the swing pricing adjustment.

#### ***Suspension of Calculation of the Net Asset Value and of Issue, Redemption and Conversion of Shares***

The Fund may suspend the calculation of the Net Asset Value of any Sub-Fund and may suspend the issue and redemption of Shares of the relevant Sub-Fund and the conversion from or into the relevant Sub-Fund:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Fund's investments attributable to any Sub-Fund from time to time are quoted, is closed, (otherwise than for ordinary holidays), or during which dealings are restricted or suspended;
- b) during the existence of any state of affairs which in the opinion of the Board constitutes an emergency as a result of which disposals or valuations of assets owned by the Fund attributable to any Sub-Fund would be impracticable;
- c) during any breakdown in, or restriction in the use of the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;
- d) during any period when the Fund is unable to repatriate monies for the purpose of making payments on the redemption of its Shares or during which any transfer of moneys involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board be effected at normal rates of exchange;
- e) to the extent such suspension is justified for the protection of investors, in case of publication (i) of the notice informing the shareholders of the decision to liquidate the Fund or one or more Sub-Funds or (ii) of the notice informing the shareholders of the decision of the Board to merge the Fund or one or more Sub-Funds;
- f) when for whatever reason, the value of the assets on debts and liabilities attributable to the Sub-Fund cannot be rapidly and accurately determined; and
- g) any other circumstances beyond the absence of suspension could lead to some liabilities, pecuniary disadvantages or any other damage that the Fund, the Sub-Fund or their shareholders would not otherwise have been suffered.

Shareholders having requested issue, redemption or conversion of their Shares will be notified in writing of any such suspension within seven days of their request and will be promptly notified of the termination of such suspension.

The suspension of the calculation of the Net Asset Value per Share for any Sub-Fund will have no effect on the calculation of Net Asset Value per Share or the issue, redemption and conversion of the Shares of any other Sub-Fund.

### ***Liquidation of the Fund***

The Fund has been established for an unlimited period of time. However, the Fund may be dissolved and liquidated at any time by a resolution of the general meeting of shareholders.

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

Any liquidation will entitle a shareholder to a pro rata share of the liquidation proceeds corresponding to the Class of Shares held by the relevant shareholder. Moneys available for distribution to shareholders in the course of the liquidation that are not claimed by shareholders will at the close of liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to the 2010 Law, where during 30 years they will be held at the disposal of the shareholders entitled thereto.

If the capital of the Fund falls below two-thirds of the minimum capital of EUR 1,250,000, the Board must submit the question of the dissolution of the Fund to a general meeting of shareholders convened to be held within 40 days and for which no quorum shall be prescribed and which shall decide by a simple majority of the share represented at the meeting.

If the capital of the Fund falls below one quarter of the minimum capital stated above, the Board must submit the question of dissolution of the Fund to a general meeting of shareholders convened to be held within 40 days and for which no quorum shall be prescribed, dissolution of the Fund may be resolved by shareholders holding one quarter of the Shares at the meeting.

All the decisions taken by the general meeting or the Board regarding the liquidation of the Fund will be published in accordance with Luxembourg law. In addition such notice will be published in any country where the Fund is registered for distribution according to the national legal requirements.

### ***Termination of Sub-Funds or Classes of Shares***

The Board may decide to liquidate any Sub-Fund or Class of Share (i) if the net assets of such Sub-Fund fall below a level considered by the Board to be too low for that Sub-Fund to continue to be managed efficiently; (ii) if a change in the economic or political situation relating to the Sub-Fund or Class of Share would justify such liquidation as decided by the Board or if required by the interests of the shareholders in a Sub-Fund or Class of Shares; or (iii) in the event of a product rationalisation decided on by the Board.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date for the liquidation, which will indicate the reasons of and the procedure for the liquidation operations.



Unless the Board decides otherwise in the interests of, or to keep equal treatment among the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares.

Any liquidation proceeds remaining unclaimed after the closure of the liquidation of a Sub-Fund will be deposited in escrow at the *Caisse de Consignation*. Amounts not claimed from escrow within the period fixed by law may be forfeited in accordance with the provisions of Luxembourg law.

### ***Amalgamation of Sub-Funds***

Any merger of a Sub-Fund with another Sub-Fund of the Fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board, unless the Board decides to submit the decision for the merger to the general meeting of shareholders of the Sub-Fund concerned. In the latter case, no quorum will be required for this meeting and the decision for the merger shall be taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of shareholders resolving in accordance with the quorum and majority requirements for the amendment of the Articles of Incorporation. Such a decision will be undertaken and notified to the relevant shareholders in accordance with the provisions of the 2010 Law and any applicable regulations.

### ***Documents for Inspection***

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Fund:

- (a) Management Company Agreement;
- (b) Depositary Agreement;
- (c) Domiciliary Services Agreement;
- (d) Administrative Agent and Registrar and Transfer Agent Agreement;
- (e) Paying Agency Agreement;
- (f) the Articles of Incorporation;
- (g) the latest Prospectus of the Fund;
- (h) the latest KIIDs;
- (i) the latest annual and semi-annual reports of the Fund; and
- (j) the risk management process of the Fund.

The agreements under (a) to (e) above may be amended by mutual consent of the parties thereto.

A person having a complaint about the operation of the Fund may submit such complaint in writing to the Management Company at its registered office.

The details of the Management Company's complaint handling procedures as well as the voting rights policy, best execution policy, conflicts of interests rules, etc. may be obtained free of charge during normal office hours at the registered office of the Management Company.

### ***Benchmark regulation***

Regulation (EU) 2016/1011 (also known as the "EU Benchmark Regulation") requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided.

The Management Company shall comply with this obligation. Further information on the plan is available on request, free of charge, from the registered office of the Management Company and under the website [www.mcsquare.lu](http://www.mcsquare.lu).

The following benchmarks are used by the Sub-Funds for the purposes indicated in the table below.

| Sub-Fund                       | Benchmark | Benchmark Administrator              | Purpose         |
|--------------------------------|-----------|--------------------------------------|-----------------|
| Circle Fund – Performance Fund | EONIA*    | European Money Markets Institute     | Performance fee |
| Circle Fund – Performance Fund | LIBOR     | ICE Benchmark Administration Limited | Performance fee |

The benchmarks marked with (\*) are provided by an administrator which is currently not included in the ESMA register of benchmark administrators. However, the use of this benchmark is permitted during the transitional period provided for in article 51 of the EU Benchmark Regulation. The Prospectus will be updated at the first opportunity once further information on the benchmark administrator's authorisation becomes available. The inclusion of any further administrator of a benchmark used by a Sub-Fund within the meaning of the EU Benchmark Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update.

#### ***Processing of personal data***

The Fund and MC Square S.A. (the "Controllers") jointly process information relating to several categories of identified or identifiable natural persons (including, in particular but not only, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controllers directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed and updated information regarding this processing of Data by the Controllers is contained in a privacy notice (the "Privacy Notice"). All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Fund are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [info@mcsquare.lu](mailto:info@mcsquare.lu) or to MC Square S.A. 23 Val Fleuri, L-1526 Luxembourg for the attention of the board of directors, or by calling (+352) 26 92 70 34 61.

Obtaining and accessing the Privacy Notice.

The Privacy Notice is available and can be accessed or obtained online (<http://www.mcsquare.lu/wp-content/uploads/2018/05/Privacy-Notice-Policy.pdf>), by calling (+352) 26 92 70 34 61 or upon request addressed to [info@mcsquare.lu](mailto:info@mcsquare.lu) or to MC Square S.A. 23 Val Fleuri, L-1526 Luxembourg for the attention of the board of directors. The Privacy Notice is available in both paper and e-format.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling;
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "Processors") are processing the Data on behalf of the Controllers; that the Processors include the majority of the service providers of the Controllers; and that Processors shall act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controllers and the Processors for several purposes (the "Purposes") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Fund, (ii) enabling the Processors to perform their services for the Fund, and (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Fund, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controllers; that they may be notified of any change to or update of the Privacy Notice by any means that the Controllers deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controllers any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controllers; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controllers harmless for and against adverse consequences arising from any breach of the foregoing.