NK Fund SICAV - RAIF

A Luxembourg Reserved Alternative Investment Fund

Prospectus

November 2022

Not subject to supervision by any supervisory authority in Luxembourg or elsewhere.

SIGNATURE PAGE

NK Fund SICAV- RAIF

Signature	
Name	**Jean-Philippe Petit**
Capacity	Director

Signature	
Name	**Mathieu Mercati**
Capacity	Director

MC Square S.A.
as external alternative investment fund manager

Signature	
Name	**André Lecoq**
Capacity	Director

Signature	
Name	**Alexander Hecklen**
Capacity	COO

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USING THIS PROSPECTUS

This Prospectus

This prospectus is designed so that it can be read as a narrative as well as a reference document in which you can easily find information on specific topics. The information on this page indicates where to find the most used information.

'You' and 'your' refer to you when you deal in or own shares, or to persons authorised to deal in or own shares on your behalf.

'We', 'us' and 'our' refer to the company or persons authorised to act on the company's behalf, such as the AIFM, the investment manager, an investment adviser, the administrator, or the depositary. For a definition of the persons authorised to act on the company's behalf, see Glossary. To see who does what on behalf of the company, see Company Structure and Operations.

UNDERSTANDING INVESTMENT POLICIES

Investment objectives and policies. Each sub-fund is permitted to invest in accordance with the reserved alternative investment fund rules, and equally is required to comply with their restrictions. However, each sub-fund also has its own investment policy, which is generally narrower than what is permissible under the reserved alternative investment fund rules.

For general information including what is permissible for all sub-funds, see What to Know about Investment Policies and Restrictions under Understanding Investment Policies; for information relating to each sub-fund, see Sub-Fund Descriptions.

UNDERSTANDING INVESTMENT TERMS

This is a guide to understanding investment policy terms and descriptions. Unless you find different information in the Sub-Fund Descriptions, the following interpretations apply—

Cash and cash equivalents. Can be held by any sub-fund for up to 100 per cent of its assets, if market conditions justify it and subject to the risk spreading requirements applicable under the reserved alternative investment fund rules. Other investments in cash and cash equivalents for any specific purpose are described in Sub-Fund Descriptions.

Equities. Includes investments in shares, depository receipts, warrants and other participation rights. To a limited extent, we may also gain exposure to equities through convertible securities, index and participation notes and equity-linked notes.

Debt securities. Includes investments in bonds and other securities such as debentures, notes, and any other obligations paying fixed, variable, or floating interest.

Domicile. When a domicile is stated, it refers to the country in which the entity is incorporated and has its registered office.

Derivatives. See Sub- Fund Descriptions for derivatives usage for each sub-fund. See Understanding Investment Policies for general information, including what is permissible under the reserved alternative investment fund rules, and for details on derivatives usage and purposes for the sub-funds.

Risks. See Sub- Fund Descriptions for a list of the risks for each sub-fund; individual risks are described in Understanding Risk.

Environmental, Social and Governance (ESG) integration and sustainable investing. See How the Sub-Funds Integrate ESG and Sustainable Investing to see how we integrate environmental, social and governance information into the investment decision-making process.

Recent actual expenses. See the applicable PRIIPs KID or the most recent shareholder report.

SHARE CLASSES

Eligibility. See Share Classes and Costs.

Investment minima. See Share Classes and Costs.

Characteristics and naming conventions. See Share Classes and Costs.

Dividends. See Share Classes and Costs.

Currently available Go to https://www.mcsquare.lu/nk-fund/; to see if a share class is marketed in a particular country, contact the AIFM.

ISIN. See Sub- Fund Descriptions.

UNDERSTANDING COSTS

One-time charges and annual fees and expenses. Stated in Sub- Fund Descriptions; explained in Share Classes and Costs.

Performance fees. Rate and mechanism used stated in Sub-Fund Descriptions; calculations and examples specified in Share Classes and Costs.

DEALING IN SHARES

Cut-off point. See Sub- Fund Descriptions.

Placing dealing orders See Investing in the Company.

Transfers to another person . See Investing in the Company.

Tax considerations. See Investing in the Company.

Liquidation, mergers, and other reorganisations. See Investing in the Company.

CONTACT AND COMMUNICATIONS

Queries and complaints. Contact the AIFM or your intermediary.

Notices and publications. See Investing in the Company.

UNDERSTANDING VARIOUS TERMS

Defined terms. See Glossary.

General investment terms. See Glossary.

CURRENCY ABBREVIATIONS

CHF	Swiss franc	**EUR**	Euro
GBP	Pound Sterling	**USD**	US dollar

A WORD TO INVESTORS

Understanding Your Investment in the Company

The company is not registered with any supervisory authority in Luxembourg or elsewhere.

You are responsible for understanding and complying with the laws which apply to you, whether in your country of tax residence or any other country. This includes understanding the potential legal and tax consequences and resolving any claims that arise if you fail to comply with those laws.

We recommend that you obtain legal, tax and financial advice before investing initially (and under any other circumstances where legal, tax or financial concerns may be relevant), and as you maintain or increase your investment.

WHAT TO KNOW ABOUT INVESTMENT OBJECTIVE

A sub-fund's investment objective describes what we are trying to achieve; for example, whether we are aiming to provide growth to the sub-fund, income from the sub-fund, or a combination of the two. Any additional details, for example how much income the sub-fund is aiming to achieve, may also be specified. There may be other specific requirements; for instance, sub-funds which aim to track an index will state in their objective that this is what they are doing.

WHAT TO KNOW ABOUT INVESTMENT POLICY

A sub-fund's investment policy specifies how we intend to achieve that sub-fund's objective.

While the objective specifies what we are trying to achieve, the investment policy describes the broad parameters of the approach towards delivering the objective. Typically, this will describe the type of investments we will invest in and any geographical or industry sectors that we will focus on.

WHERE DOES INVESTMENT STRATEGY FIT IN

The investment strategy describes how we will approach the task of managing a sub-fund within the confines specified in the policy.

Understanding Sub-Funds and Classes

The company is an umbrella fund. This means that it is made of one or more portfolios called sub-funds. Each sub-fund pursues its investment objective, has its investment policy and strategy, and has its own assets and liabilities. Those assets and liabilities are segregated from the assets and liabilities of other sub-funds.

In each sub-fund, we offer shares in various share classes. Each share class has its specific terms, such as—

- duration
- currency
- investor eligibility
- investment or holding minima
- fees and charges
- allocation of income
- distribution policy
- liquidity
- voting rights
- reporting obligations.

Those terms, and other terms that may apply, are described in Share Classes and Costs and are specified in Sub-Fund Descriptions.

Before Making an Investment

Before investing in a sub-fund, you should understand the risks, costs, and terms of that sub-fund and the share class you deal in, and how the investment would align with your financial circumstances and tolerance for investment risk.

WHAT TO KNOW ABOUT RISK

When you invest in a sub-fund, the value of your investment can go up and down, and you could lose some or all of your invested money. Levels of income can also go up or down (as a rate or in absolute terms). No sub-fund in this prospectus is intended as a complete investment plan, nor are all sub-funds appropriate for all investors. Results may vary substantially over time, and there is no guarantee that the sub-fund will achieve its investment objective or that its investment strategy will succeed.

You must evaluate risks to determine whether they fit your own investment goals and risk tolerances. Risk is an integral component of a sub-fund's return.

As with most investments, future performance will differ from past performance. There is no guarantee that a sub-fund will meet its objectives or achieve any level of performance.

Returns may vary substantially over time, and you could lose money over short, intermediate, or even long periods.

The main risks of each sub-fund are listed in this prospectus. You can better understand the overall risk of an investment in a sub-fund by reading the Risk Descriptions.

WHO CAN INVEST IN THE SUB-FUNDS

Your ability to invest in the sub-funds depends on several factors. Some factors relate to the registration of a sub-fund in your country, others depend on whether you are eligible to invest in the sub-funds.

The sub-funds are not registered for sale or available everywhere. Only some sub-funds and share classes are registered in some countries—if at all.

In Luxembourg, you may only invest in the sub-funds if you are an eligible investor.

In countries of the European Economic Area (EEA) other than Luxembourg in respect of which the AIFM has obtained the AIFMD marketing passport, you may only invest in the sub-funds if you are a professional investor.

Distributing this prospectus or offering shares for sale is legal only in Luxembourg and in other countries where the shares are registered for sale or where an offer or sale is not restricted by local laws. Distributing this prospectus or offering shares for sale in other countries may be restricted or prohibited. This prospectus is not an offer in any country or to any person where the offer is not authorised.

The sub-funds are, in principle, not available in the US or to US persons. This is because the shares are not registered with the US Securities and Exchange Commission or any other US authority. Therefore, unless we are satisfied that it would not constitute a breach of US securities laws, the sub-funds are not available in the US or to, or for the benefit of, US persons. US persons can only subscribe for shares with the prior consent of the directors and the AIFM in a way that does not breach the US securities laws. US persons do not include any 'Non-United States person' as used in Rule 4.7 of the US Commodity Exchange Act.

See Information for Investors in Certain Countries.

WHO CAN INVEST IN WHICH SHARE CLASS

You should consult Share Classes and Costs to see in which share classes you can invest. Some share classes are available to all eligible investors, others are available only to investors who meet specific requirements.

Some share classes are available to professional investors only; as a result, we do not issue PRIIPs KIDs for these share classes.

There are minimum investment requirements which we may waive or not.

WHICH INFORMATION TO RELY ON

How we provide information. We provide information to you about the company and the sub-funds in separate documents and in different ways.

You should read—

- this prospectus
- the PRIIPs KID for the class you want to buy, if available
- the articles
- the most recent shareholder report
- the application documents.

You can access or receive these documents as specified in Notices and Publications under Ongoing Communication.

You should rely only on the information contained in these documents or that we have referred you to. We have not authorised anyone to provide you with different information.

If these documents are translated into languages other than English, rely on the English version over translations.

Since the terms of a sub-fund may differ from the general information we have provided, in all cases rely on information in the Sub-Fund Descriptions over different information in the prospectus; and rely on the articles over different information in the prospectus.

How that information affects you. When you deal in shares, you accept the terms described in these documents. Your contractual relationship with the company is under Luxembourg law.

How we take responsibility for that information. We have taken all reasonable care to ensure that the information contained in these documents is accurate, is current at the date of their publishing, and does not omit any material information.

The information in the documents we refer to you is based on current Luxembourg law and practice. It is subject to change.

Be mindful about some statements. Some statements that we make may constitute 'forward-looking statements'. Forward-looking statements include current expectations, estimates and projections about the markets in which the company operates, and our beliefs and assumptions on general economic conditions.

Words such as 'believe', 'expect', 'anticipate', 'intend', 'plan', 'estimate', 'project', 'forecast', and future or conditional verbs such as 'will', 'may', 'could', 'should', or 'would', or other statements that necessarily depend on future events, are intended to identify forward-looking statements. Forward-looking statements are not guarantees; they involve risks, uncertainties, and assumptions.

Although we make those statements based on assumptions that we believe to be reasonable, actual results might differ materially from those expressed in the forward-looking statements. Do not rely unduly on any forward-looking statements and carefully consider the risks described in this prospectus. We are not required to update any forward-looking statement if it later turns out to be inaccurate because of new information, future events or otherwise.

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NK FUND SICAV - RAIF – OPPORTUNITIES

Investment Objective and Policy

INVESTMENT OBJECTIVE

- To generate high positive investment returns relatively to the risks assumed, over a recommended minimum shareholding period of 5 years, through increases in net asset value per share.

INVESTMENT POLICY

- To meet the sub-fund's investment objective, the investment manager (Norman K. Asset Management) will actively manage a portfolio of long and short positions in publicly-listed securities and their derivatives (short positions through derivatives only).
- Portfolio positions will be individually picked through fundamental and financial analysis of target issuing companies.
- The purpose of such analysis will be to detect securities whose market price materially differs from their estimated intrinsic value, to profit from their consequential price increase (for long positions on underpriced securities) or decrease (for short positions on overpriced securities).

INVESTMENT PROCESS

Investment analysis

- The investment manager will search for investment candidates using information sources such as financial databases and news media, companies' regulatory and investor material, third-party investment research, industry events and contacts.
- Once securities are targeted for specific analysis, the investment manager will study the fundamental and financial attributes of their issuers (for example their business case, financing structure, profitability, management, governance, ownership), to translate them into qualitative and quantitative valuation inputs.
- Securities' intrinsic values will be appraised through various methods such as cash-flow discounting, ratio application, and net asset restating.
- The relationship between a security's market price and estimated intrinsic value will form the rationale for each of the sub-fund's investments and divestments.

Asset allocation

- The sub-fund's asset allocation will be opportunistic and flexible, rather than pre-determined.
- It will result from a "bottom-up" portfolio construction process, rather than "top-down"

The investment manager will invest globally, in various developed countries located in:

- North America
- Europe and Nordic countries
- Asia-Pacific, to a lesser extent

Investments will not be restricted to specific economic or industrial sectors

- The sub-fund's assets may be invested long or short in a wide range of securities:
  - debt securities of all seniority levels (senior secured, unsecured or junior/convertible), including those in distress or default
  - equities (common or preferred), directly or through CFD or swaps
  - derivative instruments, with a focus on equity options.
- All company sizes will be considered, from mega (over USD 100 billion) to micro (under USD 50 million) capitalizations.
- Finally, the sub-fund's overall portfolio exposure may be either leveraged (up to 140% of the NAV) or significantly reduced, in response to changes in market conditions.

Accessory investment exposures

- In addition to instruments listed above, the sub-fund may accessorily invest in:
  - Collective investment undertakings (including ETFs)
  - Money market instruments
  - Money market funds.
  - Cash and cash equivalents

Borrowing.

- The sub-fund can borrow up to 100% of its NAV.

Derivatives

- *Used for* Investment purposes, hedging, efficient portfolio management.
- *Types*
  - Forwards
  - Options
  - Swaps.
  - CFD.

Leverage

- *Gross method* 300 per cent
- *Commitment method* 300 per cent.

Currencies

- *Sub-fund base currency* EUR.
- *Currencies of asset denomination* Any.
- *Hedging approach* Non-systematic hedging, at the discretion of the investment manager

Securities financing transactions

  - The sub-fund does not enter into securities financing transactions within the meaning SFTR or invest in total return swaps.

ESG approach (taxonomy regulation)

- The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Planning Your Investment

INVESTMENT SUITABILITY

Eligible investors The sub-fund is suitable to you if you are—

- an institutional investor
- a professional investor
- an experienced investor
- part of the sub-fund management team.

Investor profile The sub-fund is intended for you if you—

- are familiar with and have experience in this type of product and strategy
- understand the risks associated with the sub-fund
- seek long-term capital growth
- have obtained appropriate investment advice
- can bear losses up to the amount you have invested.

The sub-fund is not suitable for you if you are unable to sustain a long-term investment or losses associated with that investment.

SUB-FUND RISKS

Most relevant risks

- credit
- derivatives
- concentration
- collateral
- equity
- leverage risk
- investment style

Other relevant risks

- counterparty
- currency
- hedging
- liquidity
- volatility.

SHARE DEALING

Sub-fund launch 4 November 2022.

Valuation day daily.

Dealing If your subscription, redemption or switch order is received by 11 am Luxembourg time on a Luxembourg business day, it will be processed on the next valuation day.

Settlement date 3 business days after the relevant valuation day.

Gate 20 per cent.

OTHER FACTORS

Performance fee method. High-water mark and Hurdle Rate (cumulatively).

Performance fee cap. None.

Sub-fund's duration. indefinite.

Base Share Class	Sub-Fund Features	Class Currency	Initial Investment and Holding Amount	Additional Investment	Distribution Policy
A		EUR	EUR 125,000	None	Accumulation
B		EUR	EUR 125,000	None	Accumulation
C		EUR	EUR 125,000	None	Accumulation
D		EUR	One share	None	Accumulation

Class		One-off charges (maximum) *			Fees and expenses taken from the sub-fund over a year (maximum)		
	ISIN	Initial Charge	Switch charge	Redemption charge	Management Fee	Ongoing Sub-fund Expenses (including the management fee)**	Performance Fee
A EUR perf (acc)	LU2550037472	1%	1%	1%	1.75%	Capped at 2% of the sub-fund's net assets	15% over hurdle rate (high-watermark condition)
B EUR perf (acc)	LU2550037555	1%	1%	1%	1.25%	Capped at 2% of the sub-fund's net assets	15% over hurdle rate (high-watermark condition)
C EUR (acc)	LU2550037639	1%	1%	1%	0.40%	Capped at 2% of the sub-fund's net assets	0%
D EUR (acc)	N/A	N/A			0%	N/A	

*may be waived in whole or in part by the investment manager.

**also including most other expenses borne by the sub-fund, but excluding brokerage and transaction fees and performance fees. The Ongoing Sub-fund Expenses are combined into a single total expense ratio (TER) which corresponds to the ratio of the gross amount of the sub-fund expenses to its average net assets. The sub-fund's average net assets are calculated each time the NAV is calculated.

NK FUND SICAV -RAIF – PATRIMOINE GENERATION ALPHA

Investment Objective and Policy

INVESTMENT OBJECTIVE

The sub-fund seeks to outperform (after accrual of applicable fees) the index MSCI Daily Net Total Return World Euro (MSDEWIN Index) over the recommended holding period. There are no constraints on the portfolio construction, asset allocation or security selection in relation to the benchmark.

INVESTMENT POLICY

- To meet the sub-fund's investment objective, the sub-investment manager will actively manage a portfolio of long positions in publicly-listed securities and their derivatives.
- The benchmark is used for performance comparison as well as internal monitoring purposes.
- Securities targeted by the sub-fund can be similar to those of the index to an extent that varies over time but their weighting is expected to differ materially. The performance of the sub-fund may deviate materially from that of the index.
- The sub-fund seeks to invest in high quality companies with profitable financial models, business practices and business models showing resilience and the ability to evolve and benefit form long term structural trends.

SUB-INVESTMENT MANAGER

- Nemesis Asset Management LLP, 42 Brook Street, London, W1K 5DB, United Kingdom trading as Norman K.

INVESTMENT PROCESS

Investment analysis

- The sub-investment manager will use its discretion with regards to the selection of markets, sectors, size of companies and currencies (including emerging market currencies), and will employ a high conviction strategy which means that it will generally concentrate the sub-fund's assets into a smaller group of investments.

Asset allocation

- At least 75% of the sub-fund's net assets will be exposed to the equity or equity related securities of corporate issuers worldwide, including to the equity or equity related securities of corporate issuers located in emerging markets.
- Up to 25% of the sub-fund's net assets may be invested outside these parameters, included but not limited to cash and cash equivalents (including short-term ABS/MBS, which may represent up to 10% of the sub-fund's investment in cash and cash equivalents).
- The sub-fund may hold cash and cash equivalents for investment purposes, for treasury purposes or in case of unfavourable market conditions.

Accessory investment exposures

In addition to instruments listed above, the sub-fund may accessorily invest in:

- Collective investment undertakings (including ETFs)
- Money market instruments
- Money market funds
- Cash and cash equivalents

Borrowing.

- The sub-fund can borrow up to 20% of its NAV.

Derivatives

- *Used for* hedging and efficient portfolio management.
- *Types*
  - Forwards
  - Options
  - Swaps.
  - CFD none.

Leverage

- *Gross method* 120 per cent
- *Commitment method* 120 per cent.

Currencies

- *Sub-Fund base currency* USD.
- *Currencies of asset denomination* Any.
- *Hedging approach* Non-systematic hedging, at the discretion of the sub-investment manager

Securities financing transactions

- The sub-fund does not enter into securities financing transactions within the meaning SFTR or invest in total return swaps.

ESG approach (taxonomy regulation)

- The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Planning Your Investment

INVESTMENT SUITABILITY

Eligible investors. The sub-fund is suitable for you if you are—

- an institutional investor
- a professional investor
- an experienced investor
- part of the sub-fund management team.

Investor profile. The sub-fund is intended for you if you—

- are familiar with and have experience in this type of product and strategy
- understand the risks associated with the sub-fund

- seek long-term capital growth
- have obtained appropriate investment advice
- can bear losses up to the amount you have invested.

The sub-fund is not suitable for you if you cannot sustain a long-term investment or losses associated with that investment.

SUB-FUND RISKS

Most relevant risks

- credit
- derivatives
- concentration
- collateral
- equity
- investment style

Other relevant risks

- counterparty
- currency
- hedging
- liquidity
- volatility.

SHARE DEALING

Sub-fund launch 4 November 2022.

Valuation day daily.

- **Dealing** If your subscription, redemption or switch order is received by 11 am Luxembourg time on a Luxembourg business day, it will be processed on the next valuation day.

Settlement date 3 business days after the relevant valuation day.

Gate 20 per cent.

OTHER FACTORS

Performance fee method. high-water mark and Hurdle Rate (cumulatively).

Performance fee cap. None.

Sub-fund's duration indefinite.

	Sub-fund Features					
Base Share Class		**Class Currency**	**Initial Investment and Holding Amount**	**Additional Investment**	**Distribution Policy**
A		EUR	EUR 125,000	None	Accumulation
B		USD	Equivalent of EUR 125,000 in USD	None	Accumulation
C		USD	Equivalent of EUR 125,000 in USD	None	Accumulation
D		EUR	One share	None	Accumulation

Class		One-off charges (maximum) *			Fees and expenses taken from the Sub-fund over a year (maximum)		
	ISIN	**Initial Charge**	**Switch charge**	**Redemption charge**	**Management Fee**	**Ongoing Sub-fund Expenses (including the management fee)****	**Performance Fee**
A EUR perf (acc)	LU2550037712	1%	1%	1%	1.75%	Capped at 2% of the sub-fund's net assets	15% over hurdle rate (high-watermark condition)
B USD perf (acc)	LU2550037803	1%	1%	1%	1.25%	Capped at 2% of the sub-fund's net assets	15% over hurdle rate (high-watermark condition)
C USD (acc)	LU2550037985	1%	1%	1%	0.40%	Capped at 2% of the sub-fund's net assets	0%
D EUR (acc)	N/A		N/A		0%	N/A	

*may be waived in whole or in part by the investment manager.

** also including most other expenses borne by the sub-fund, but excluding brokerage and transaction fees and performance fees. The Ongoing Sub-fund Expenses are combined into a single total expense ratio (TER) which corresponds to the ratio of the gross amount of the sub-fund expenses to its average net assets. The sub-fund's average net assets are calculated each time the NAV is calculated.

UNDERSTANDING RISK

What to Know about Risk

All investments involve risk.

The sub-funds are subject to the risks described in this section. Those risk descriptions are intended to inform you of the main risks associated with each sub-fund. They match the risk factors specified in the Sub-Fund Descriptions. You should read them in conjunction with the Sub-Fund Descriptions.

Those risks could cause a sub-fund to lose money, to perform less well than similar investments or a benchmark, or than the markets in which it invests, to experience high volatility, or to fail to meet its objective.

While this prospectus identifies what we believe to be the main risks of the sub-funds, your investment could be affected by other risks.

RISKS RELATED TO SUB-FUND ACTIVITIES

Risks included in this section are generally present to a material degree in ordinary market conditions, but also tend to be present –and more potent– in unusual market conditions.

Active management risk is the chance that a sub-fund's management team could be wrong in its analysis, assumptions or projections, and its decision-making process could prove to be flawed in its design or operation. This includes projections concerning industry, market, economic, demographic, or other trends.

Below investment grade risk A sub-fund may invest in investment grade debt obligations, which can include senior secured, second-lien and mezzanine loans, high-yield bonds, payment-in-kind notes, collateralized loan obligations, equity and junior, unsecured, equity and quasi-equity instruments. The sub-fund may invest in other circumstances on an opportunistic basis. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated securities and may be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. They may also be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the sub-fund, which, in turn, could have a material adverse effect on the performance of the sub-fund.

Bond risks include interest rate risk, income risk, credit risk, call risk, extension risk and to a limited extent, event risk. The level of risk may vary based on market conditions.

Call risk is the chance that an issuer may exercise its right to redeem a fixed-income security earlier than expected (a call). Issuers may call outstanding securities before their maturity for several reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a sub-fund has invested in, the sub-fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favourable features.

Cash investments risk is the chance that a sub-fund that temporarily invests all or most of its assets in cash and cash equivalents for temporary defensive purposes rather than an investment strategy performs lower than other investments and fails to meet its investment objective.

Collateral risk is the chance that the value of collateral that a sub-fund receives from counterparties in connection with transactions in securities lending, reverse repurchase transactions and OTC derivatives other than currency forwards collateral might not cover the full value of a transaction and might not cover any fees or returns owed to the sub-fund. If a counterparty defaults, it would forfeit its collateral on the transaction. If a transaction is not fully collateralised, the collateral may not cover the credit exposure to the counterparty. Collateral may be held either by the depositary or by a third-party custodian and there is a risk of loss if the depositary or sub-custodian are negligent or become insolvent. The sub-fund may also incur a loss in reinvesting cash collateral received, because of a decrease in the value of the investments made.

While the company uses industry-standard agreements for all collateral, in some countries even these agreements might prove to be difficult or impossible to enforce under local law.

Commodities exposure risk is the chance that a sub-fund could lose all, or substantially all, of its investments in instruments linked to the returns of commodity investments. The commodities markets are volatile, and even a small movement in market prices could cause large losses. Prices of commodity-linked investments have a historically low correlation with the returns of the equity and debt markets and are subject to change based on several factors. Some commodity-linked investments may not necessarily conform to the composition, weighting, roll dates, reset dates, or contract months of any commodity futures market index. Other risks associated with commodity-linked investments include commodity futures trading risk, counterparty risk, derivatives risk, and tax risk.

Concentration risk is the chance that a sub-fund's performance may be hurt disproportionately by the poor performance of relatively few investments.While the sub-funds are considered diversified, they may invest a greater percentage of their assets in a limited number of industries, sectors, or issuers, or within a limited geographical area. When a sub-fund invests a large portion of its assets in a particular issuer, industry, type of security, country or region, or a series of closely interconnected economies, its performance may be more strongly affected by any business, economic, financial, market or political conditions affecting the area of concentration. This can mean both higher volatility and a greater risk of loss.

Contingent convertible securities risk refers to the risks of investing in contingent convertible securities (CoCos), including the risk that interest payments will be cancelled by the issuer or a regulatory authority, the risk of ranking junior to other creditors in the event of a liquidation or other bankruptcy-related event as a result of holding subordinated debt, the risk of the sub-fund's investment becoming further subordinated as a result of conversion from debt to equity, the risk that principal amount due can be written down to a lesser amount, and the general risks applicable to fixed-income investments, including interest rate risk, credit risk, market risk and liquidity risk, any of which could result in losses to a sub-fund.

Convertible securities risk refers to the risks associated with convertible securities. Because convertible securities are hybrid instruments, they carry risks applicable to fixed-income and equity investments, including interest rate risk, credit risk, equity risk, volatility risk and liquidity risk, any of which could result in losses to a sub-fund. Moreover, the market value of convertible securities may depend on clauses that are set forth in their prospectus and a misunderstanding of these clauses may result in sub-optimal decision from the security holders and ultimately in losses. Convertible securities also carry takeover risk, which could materialise if the issuer is acquired by another entity, and the sub-fund is not adequately covered by 'change of control' protections—such as put options and premium compensation clauses.

Country/regional risk is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets. The value of a sub-fund's assets may be affected by uncertainties such as political developments, changes in government bodies' policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws. the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by foreign government bodies, or entities in foreign countries or regions.

Credit risk is the chance that a sub-fund could lose money if the issuer or guarantor of a fixed-income security, or the counterparty to a derivative contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

Currency risk is the chance that the value of a foreign investment, measured in a sub-fund base currency, will decrease because of unfavourable changes in currency exchange rates. Currency exchange rates can change rapidly and unpredictably, and it may be difficult for a sub-fund to unwind its exposure to a currency in time to avoid losses.

Currency hedging risk is the chance that the currency hedging transactions that a sub-fund makes may not perfectly offset that sub-fund's foreign currency exposure. For example, a sub-fund will decline in value if it underhedges a currency that has weakened or overhedges a currency that has strengthened relative to its base currency.

Depositary receipt risk is the chance that a depositary receipt trades below the value of its underlying securities. Owners of depositary receipts may lack some of the rights (such as voting rights) they would have if they owned the underlying securities directly. Other risks associated with depositary receipts include liquidity and counterparty risks.

Derivatives risk is the risk associated with the use of futures contracts, options on futures contracts, options on securities, swap agreements, warrants, forward contracts, and other derivatives. Investing in derivatives may involve risks different from, and possibly greater than, those of investing directly in the underlying security, commodity, index, reference rate or other asset. Using derivatives can lead to losses because of adverse movements in the price or value of the underlying asset. Derivative strategies often involve leverage, which may increase a loss, potentially causing the sub-fund to lose more money than it would have lost had it invested in the underlying asset. Also, a liquid market may not always exist for the sub-fund's derivative positions at times when the sub-fund might wish to terminate or sell those positions. In addition, regulators and futures exchanges have established limits, referred to as position limits, on the maximum net long or net short positions that any person may hold or control, in particular derivatives contracts. Some contract positions, such as commodity futures contracts, held by a sub-fund may have to be liquidated at disadvantageous times or prices to avoid exceeding such position limits, which may adversely affect the sub-fund's total return. The use of a derivative subjects the sub-fund to counterparty risk, potentially resulting in delayed or partial payment or even non-payment of amounts due under the derivative contract.

Distressed securities risk is the chance that the issuer of a security goes into default or is at high risk of doing so. While these securities can offer high rewards, they are highly speculative, can be very difficult to value or sell and often involve complex and unusual situations and extensive legal actions whose outcome is quite uncertain. Returns may not adequately compensate investors for the risks assumed.

Equity risk is the chance that the value of equity securities may decline due to factors related to their issuer, such as bankruptcy or financial restructuring, or due to general market conditions which are not specifically related to a particular issuer or to factors affecting a particular industry or industries. Equities carry significant stock market, volatility, and liquidity risks.

Event risk is the chance that corporate fixed income securities will suffer a substantial decline in credit quality and market value because of a corporate restructuring.

Exchange-traded funds (ETFs) risk includes higher liquidity and volatility risks. If an ETF uses derivative instruments that are not actively traded in the secondary market and whose price transparency is not as easily accessible as securities, it may be affected by a bigger bid and offer spread. These instruments are also susceptible to more price fluctuations. As a result, ETF positions can be more difficult and costly to unwind early especially when the instruments provide access to a restricted market where liquidity is limited in the first place. To lower transaction costs, indexing ETFs will typically hold a smaller set of securities than the underlying index or benchmark. This leads to tracking error, which is typically limited, but over time can lead to an increasing divergence between the ETF and the index or benchmark.

General economic conditions risk is the chance that factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances affect asset prices, their volatility, or their liquidity. Deflated prices, unexpected volatility or illiquidity could impair the sub-funds' profitability or result in losses.

Hedging risk is the chance that any attempts to reduce or eliminate some risks do not work as intended, and to the extent that they do work, they eliminate potentials for gain along with risks of loss. Any measures that a sub-fund takes that are designed to offset specific risks may work imperfectly and may not be feasible at all times. Hedging involves costs, which reduce investment performance.

High yield risk is the chance that high yield securities and unrated securities of similar credit quality (commonly known as 'junk bonds') are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments and may be more volatile than higher-rated securities of similar maturity.

Income risk is the chance that a sub-fund's income from fixed-income securities will decline because of falling interest rates. Income risk is generally higher for sub-funds holding short-term bonds and lower for sub-funds holding long-term bonds.

Inflation/Deflation risk is the chance that a sub-fund's assets or income from its investments may be worth less in the future as inflation reduces the value of money. As inflation increases, the real value of a sub-fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may hurt the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a sub-fund's portfolio.

Inflation-linked investment risk refers to the risk of considerable income fluctuations associated with changes in inflation, as well as risks associated with debt securities. The inflation protection that these securities are designed to offer does not protect them from interest rate risk. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security may be considered taxable ordinary income, even though the sub-fund will not receive the principal until maturity. In the case of inflation-indexed bonds, whose principal value is periodically adjusted according to the rate of inflation. Any decline in the index measuring inflation will result in a decline in the value of the bonds and, in turn, a decline in the interest rate. If the inflation index used by an inflation-linked security does not accurately measure the real rate of inflation in the prices of goods and services, the security will fail to protect against the erosion of purchasing power caused by inflation.

Interest rate risk is the chance that fixed-income securities will decline in value because of rising interest rates; a sub-fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a sub-fund with a shorter average portfolio duration.

Investment fund risks refer to risks an investor would not face if investing in markets directly—

- the actions of other investors, especially sudden large outflows of cash, could interfere with the orderly management of a sub-fund and cause losses to investors
- an investor cannot direct or influence how money is invested while it is in the sub-fund
- the company is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the company decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
- because the company is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
- because a sub-funds' shares are not publicly traded, the only option for liquidation of shares is generally redemption, which is subject to the sub-fund's redemption policies
- because of how performance fees are calculated, it is possible that in some cases an investor could end up paying a performance fee even though their actual performance is negative
- a sub-fund could suspend redemptions of its shares, for any of the reasons described in Rights We Reserve under Investing in a Sub-fund
- a sub-fund's buying and selling of investments may not be optimal for the tax efficiency of all investors
- the company may not be able to hold a service provider fully responsible for any losses arising from the service provider's misconduct
- it may be impractical or impossible for different share classes to completely isolate their costs and risks from other share classes
- to the extent that a sub-fund invests in other collective investment undertakings, it will have less direct knowledge of, and no control over, the decisions of the collective investment undertaking's investment fund managers, it could incur a second layer of investment fees—which will further erode any investment gains, and it could face liquidity risk in trying to unwind its investment in a collective investment undertaking
- to the extent that the company conducts business with the service providers (or their affiliates), and these entities do business with each other on behalf of the company, conflicts of interest may be created; to mitigate these, all such business dealings are conducted at arm's length, and all entities, and the individuals associated with them, are subject to strict 'fair dealing' policies that prohibit profiting from inside information and showing favouritism.

Where a sub-fund invests in another collective investment undertaking, these risks apply to the sub-fund, and in turn indirectly to you.

Investment objective risk Investment objectives express an intended result but there is no guarantee that results will be achieved. Depending on market conditions and the macroeconomic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a sub-fund.

Investment risk is the chance that the value of investments and the income generated by them may go down as well as up and you may not get back the amount originally invested. Past performance is not a guide to future performance. You should regard the shares as a medium to long-term investment. Where a sub-fund's base currency varies from your home currency, or where a sub-fund's base currency varies from the currencies of the markets in which the sub-fund invests, there is the prospect of additional loss (or the prospect of additional gain) —greater than the usual risks of investment.

Investment style risk is the chance that returns from the types of securities in which a sub-fund invests will trail returns from the overall market. Different investments each tend to go through cycles of doing better—or worse—than other segments of financial markets in general. These periods have, in the past, lasted for as long as several years. For instance, historically, small- and mid-cap stocks have been more volatile in price than large-cap stocks. The stock prices of small- and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

Issuer risk is the chance that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity risk is the chance that the markets, assets, and instruments in which the sub-fund invests are, or may become, illiquid. A sub-fund's investment in illiquid securities may reduce the sub-fund's returns because it may be unable to sell those securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Manager risk is the chance that poor investment selections, poor asset allocation decisions, or poor strategy execution by the AIFM or an investment manager will cause a sub-fund to fail to achieve its objective or to generate lower returns than would be achieved from different investment selections or asset allocation decisions. Poor investment selection could also cause a sub-fund to underperform applicable benchmarks or other funds with similar investment objectives. The success of a sub-fund will depend in part on the ability of that sub-fund's management team to develop and maintain strategies that achieve the sub-fund's investment objectives.

Market risk is the chance that the value of the sub-fund's investments will decrease, sometimes rapidly or unpredictably, due to changes in market factors. These factors will affect the overall performance of the sub-fund and can only be reduced by diversification into assets that are not correlated with the market, such as some alternative asset classes.

Reallocation risk is the chance that a change in asset allocation can change the amount of risk the sub-fund is exposed to. For instance, a shift toward more equity exposure would typically mean greater risk of loss and volatility.

Second-lien, or other subordinated debt risk is the chance that the subordinate portions of loans suffer a loss prior to the more senior portions suffering a loss because of a decrease in value of the underlying assets that collateralise the loans. A sub-fund may acquire second-lien or other subordinated debt. If a borrower defaults and lacks sufficient assets to satisfy the sub-fund's loan, the sub-fund may suffer a loss of principal or interest. If a borrower declares bankruptcy, the sub-fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. In addition, certain of the sub-fund's loans may be subordinate to other debt of the borrower. As a result, if a borrower defaults on the sub-fund's loan or on debt senior to the company's loan, or in the event of the bankruptcy of a borrower, the sub-fund's loan will be satisfied only after all senior debt is paid in full. The sub-fund's ability to amend the terms of the sub-fund's debt, assign the sub-fund's debt, accept prepayments, exercise the sub-fund's remedies (through 'standstill periods') and control decisions made in bankruptcy proceedings relating to borrowers may be limited by inter-creditor arrangements if debt senior to that sub-fund's debt exists.

Senior secured debt risk is the chance that the collateral securing a sub-fund's debt may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including because of the inability of the underlying issuer to raise additional capital. When a sub-fund acquires a senior secured loan in respect of an underlying issuer, it generally will have the benefit of a security interest in the available assets of the underlying issuer, which should mitigate the risk that the sub-fund will not be repaid. In some circumstances, a sub-fund's lien could be subordinated to claims of other creditors. In addition, deterioration in an underlying issuer's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that the sub-fund will receive principal and interest payments according to the loan's terms, or at all, or that the sub-fund will be able to collect on the loan should it be forced to enforce its remedies.

Senior debt risk is the chance that investing in senior debt including bank debt, exposes a sub-fund to heightened credit risk, call risk, settlement risk and liquidity risk. If an issuer of senior debt prepays or redeems the loan prior to maturity, the sub-fund may have to reinvest the proceeds in instruments that pay lower interest rates. If the sub-fund invests in senior debt that are covenant-lite obligations, the sub-fund may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in traditional debt.

Small and mid-cap equity risk stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

Short selling (or short exposure) risk is the chance that entering short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfil its contractual obligations, causing a loss to a sub-fund. Short selling allows an investor to profit from declines in the prices of securities or other instruments. There is no guarantee that the price of the securities or other instruments will decline; in fact, it may rise. To generate cash to close out a short position, the sub-fund may have to sell a related long position at a disadvantageous time. A sub-fund's loss on a short sale is potentially unlimited because there is no limit on the price a security or instrument sold short could reach. Other risks associated with short selling include regulatory risk, counterparty risk and derivatives risk.

Sovereign debt risk is the chance that investments in fixed-income instruments issued by government bodies may decline in value because of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments on time.

Stock market risk is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Strategy risk is the chance that the investment strategy used by a sub-fund's management team will not succeed.

Structured products risk involve risks different from, and possibly greater than, those of investments directly in the underlying securities or assets, including derivatives risk, the risk of adverse or unanticipated market developments, issuer credit quality risk, risk of counterparty or issuer default, risk of lack of uniform standard pricing, risk of adverse events involving any underlying reference obligations, entity or other measure, risk of high volatility, and risk of illiquidity/ little to no secondary market.

Sustainability risk is the chance that an environmental, social or governance event or condition causes a negative material impact on the value of a sub-fund's investment. Sustainability risk may significantly increase the volatility of the investments and the returns of a sub-fund.

Unrated debt obligations risk is the chance that a sub-fund that invests in debt obligations that are unrated by a recognised credit rating agency, or rank behind other outstanding securities and obligations of the obligor—all or a significant portion of which may be secured on substantially all of that obligor's assets—or are not protected by financial covenants or limitations on additional indebtedness, may be subject to greater risk of loss of principal and interest than higher-rated debt obligations. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Any of these factors could have a material adverse effect on the performance of a sub-fund.

Unsecured loans or debt is the chance that when a borrower defaults on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan and no collateral value remains for an unsecured holder. If a sub-fund makes loans which are not secured by collateral, this may therefore result in a loss of investment to the sub-fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

RISKS RELATED TO THE COMPANY

Counterparty risk is the chance that a counterparty in a contract does not comply with its obligations, potentially resulting in delayed or partial payment or even non-payment of amounts due under the contract. There are typically contractual remedies that may be pursued under an agreement in the event of default by a counterparty but these might not be effective if the counterparty is insolvent. While seeking to enforce its rights, a sub-fund could experience losses, delays in liquidating the position, could be unable to make gains on its investment, and incur significant fees and expenses in enforcing its rights.

Cross-liability As a matter of law, there is no cross-liability between sub-funds and the capital contributions and investments in relation to these sub-funds will be kept in separate segregated accounts. However, cross class-liability may occur in a sub-fund (see Spill-over risk below).

Custody risk A sub-fund's assets are generally held for the benefit of that sub-fund on the depositary's or its sub-depositaries' balance sheet and are generally not comingled with the depositary's or the sub-depositary's assets. This protects the sub-fund if the depositary or its sub-depositary becomes insolvent. However, in some markets, segregation is not possible, and the securities are comingled with the sub-depositary's assets or pooled with the securities of other clients of the sub-depositary. A loss would then be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss. In addition, because cash deposits are not segregated at the depositary or sub-custodian, these deposits would be at greater risk if the depositary or its sub-depositary becomes insolvent or unable to return these assets.

Early termination risk is the chance that a sub-fund would have to sell its assets and distribute the proceeds to its shareholders if the sub-fund is to terminate early. If organisational expenses are not fully amortised, unamortised expenses will be accelerated and will reduce the amount available for distribution to shareholders. This amount may be less than the amount you initially invested.

Exculpation and indemnification risk. The articles and the services agreements contain provisions which provide exculpation and broad indemnification against claims arising out of the company's activities than would apply if those provisions did not exist. The company may, but needs not, purchase insurance to cover its indemnity obligations.

Force majeure risk is the chance that an event beyond the control of a party claiming that the event has occurred, occurs, including earthquakes, hurricanes, lightning, fire, flood, war, terrorist events labour strikes and pandemics. Some force majeure risks are uninsurable or insurable only at rates that a sub-fund's management team would deem uneconomic. A force majeure event may adversely affect a party's ability, and relieve the party's duty, to perform its obligations until the party can perform, typically when the force majeure event abates.

Forced redemption risk is the chance that the company forces you to redeem all your shares if those shares are held by or on behalf of a person that we consider a restricted person.

Key person risk is the chance that the performance of the sub-funds may be negatively affected if one or more key persons cease to be involved with a sub-fund's management team. The success of the sub-funds largely depends on the experience, relationships, and expertise of the key persons within the AIFM, the investment manager, a sub-investment manager or an investment adviser, which have long-term experience in the respective area of investment. Key persons might also have other businesses, including similar projects or investment structures, and not be able to devote all their time to the sub-funds' management. In addition, the involvement in similar projects or investments may create a source for potential conflicts of interest.

Legal risk is the chance of financial or reputational loss that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way laws apply to the company's business, its relationships, or processes. Legal risk can arise out of defective transactions, claims being made or some other event occurring which results in a liability for the company or other loss, failing to take appropriate measures to protect assets owned by the company, or a change in laws.

Liquidation risk is the chance that shareholders in a sub-fund will, rank behind the sub-fund's creditors in relation to the realisation and distribution of the sub-fund's assets if that sub-fund is liquidated—with the result that those shareholders will normally only receive money from the liquidator once all sub-fund creditors have been paid in full, if any proceeds of the liquidation remain.

NAV suspension and delays risk is the chance that a shareholder may not receive the proceeds of their investment at the desired time or price if a sub-fund suspends the NAV calculation or defers redemptions.

New sub-fund risk is the chance that a new sub-fund's performance may not represent how the sub-fund is expected to or may perform in the long term. In addition, new sub-funds have limited operating histories for investors to evaluate and new sub-funds may not attract sufficient assets to achieve investment and trading efficiencies.

Operating deficit risk is the chance that if the expenses of operating a sub-fund exceed its income, the difference may have to be paid out of its capital, reducing value and potential for profits.

Operational risk is the chance of losses resulting from inadequate or failed internal processes, people, and systems, or from external events. Operational risks may subject the sub-fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody, and trading, among other things. Operational risks may go undetected for long periods, and even if they are detected, it may prove impractical to recover prompt or adequate compensation from those responsible.

Personal tax risk is the chance that the tax consequences of your investment might be questioned or challenged by the tax authorities, or that a change in the tax laws that apply to you might adversely affect you after you have invested in a sub-fund. The company will not be able to consider the tax consequences for you.

Regulatory risk is the chance that changes in regulation could cause losses or the inability to use an investment strategy as intended.

The company qualifies as an alternative investment fund and is subject to the laws and guidance set down by the European Union, the European Securities and Markets Authority and the CSSF. As a result, they may be subject to narrower investment restrictions which could limit their investment opportunities. The company is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, the sub-funds may be registered in non-EU countries. As a result of such registrations the sub-funds may be subject, without any notice to the shareholders in the sub-funds concerned, to more restrictive regulatory regimes.. In such cases, the sub-funds will abide by these more restrictive requirements. This may prevent the sub-funds from making the fullest possible use of the investment limits.

Securities handling risk is the chance that some countries restrict securities ownership by foreigners or may have less regulated custody practices. These practices may leave a sub-fund more vulnerable to fraud, error, ownership disputes, and other sources of financial loss unrelated to market declines.

Segregation risk is the chance that a sub-fund's assets are used to satisfy the liabilities of other sub-funds. While the reserved alternative investment fund law provides for segregated liability between sub-funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. It is not guaranteed that the assets of one or more sub-funds may be exposed to the liabilities of other sub-funds.

Small sub-fund risk is the chance that a smaller sub-fund may not achieve investment or trading efficiencies. Additionally, a smaller sub-fund may be more adversely affected by large purchases or redemptions of sub-fund shares.

Valuation risk is the chance that the assets of a sub-fund are incorrectly valued. General movements in international markets, prevailing economic conditions, investor sentiment and interest rates could have a substantial negative impact on the value of the assets of a sub-fund and investment opportunities. If an asset of a sub-fund is incorrectly valued, the disposition opportunities available for that asset may, in the case of an undervaluation, be unattractive or, in the case of an overvaluation, be limited. The valuation of an asset in a sub-fund could also be significantly adversely affected by inflation. Some circumstances may force the AIFM to discount the value of certain assets of the sub-fund. Because the management fee and the performance fee are based on the value of investments, the AIFM may face conflicts of interest in making any of these valuation determinations.

Tax risk is the chance that all or a portion of the tax-exempt income from investments held by a sub-fund will be declared taxable, possibly with retroactive effect, because of unfavourable changes in tax laws, adverse interpretations by tax authorities, inability to reclaim foreign or domestic tax, or noncompliant conduct of an issuer. The AIFM may attempt to mitigate those risks by making provisions for tax on gains or income. This may affect the valuation of the sub-fund's investments. With the uncertainty over whether and how some gains are to be taxed, those provisions for taxation may be excessive or inadequate to meet final tax liabilities.

RISKS RELATED TO SOME SHARE CLASSES

Distribution risk is the chance that the amount of a distribution in a distributing share class exceeds the sub-fund's net income and that it may be paid out of the capital of the sub-fund. Dividend payments resulting in capital erosion will reduce the potential for long-term capital growth. Distributions out of capital may be taxed as income in certain countries even if they effectively constitute a return of the investor's original investment.

Currency hedging risk is the chance that the currency hedging used in currency hedged share classes to minimise the effect of exchange rate fluctuations will not be perfect. Overhedged or underhedged positions may arise unintentionally due to factors outside the control of the sub-fund's investment manager. Shareholders may have exposure to currencies other than the share class currency and are also exposed to the risks associated with the instruments used in the hedging process. Some sub-funds may also invest in currency derivatives, with the aim of generating returns at the portfolio level. This is indicated in the Sub-Fund Descriptions and only occurs where the currency hedged share class uses NAV hedge. Accordingly, whilst the hedging seeks to minimise the effect of exchange rate fluctuations between the base currency of the sub-fund and the share class currency of the currency hedged share class, there may be currency risk in the portfolio.

Spill-over risk is the chance that hedging transactions relating to currency hedged share classes could affect other share classes in the sub-fund as there is no legal segregation of assets and liabilities between different share classes in the same sub-fund. Although spill-over risk will be mitigated, it cannot be fully eliminated, as there may be circumstances where it is not possible or practical to do so, for example, when a sub-fund needs to sell securities to fulfil financial obligations specifically related to a currency hedged share classes which may adversely affect the NAV of the other share classes in the sub-fund.

UNDERSTANDING INVESTMENT POLICIES

What to Know about Investment Policies and Restrictions

This section describes the types of assets and the techniques and instruments that the sub-funds are permitted to use, and the applicable limits, restrictions, and requirements. Except where noted, all percentages and restrictions apply to each sub-fund individually, and all asset percentages are measured as a percentage of that sub-fund's net assets.

A sub-fund's use of an asset, technique or transaction must be consistent with its investment policies and restrictions. Since the terms of a sub-fund may differ from the general information we have provided, in all cases rely on information in the Sub-Fund Descriptions over different information in the prospectus.

For a guide to interpreting key investment policy terms, see Understanding Investment Terms under Using This Prospectus.

PERMITTED ASSETS

The sub-funds can invest in any type of assets.A sub-fund may be restricted to invest in some types of assets. See Sub-Fund Descriptions.

RISK-SPREADING

The sub-funds comply with the principle of risk-spreading. They apply the following general investment restrictions—

Long exposure. 30 per cent in securities of the same type issued by the same issuer.

This restriction does not apply to securities that are—

- issued or guaranteed by a government body in an OECD country
- issued by entities that are subject to risk-spreading comparable to the sub-funds; if that entity operates as an umbrella fund with segregated sub-funds, each of those sub-funds is considered as a separate entity.

Short exposure. 30 per cent in securities of the same type issued by the same issuer.

Derivative instruments. 30 per cent exposure to the assets underlying the derivative instrument.

OTC transactions. 30 per cent exposure to a counterparty.

These limits are intended to reduce the risks that could arise—for the sub-funds or an issuer—if they owned a significant percentage of a security or issuer.

A sub-fund may be subject to different investment restrictions. See Sub-Fund Descriptions.

LEVERAGE

Leverage is a way for a sub-fund to increase its exposure to underlying markets or securities generated by the instruments in the sub-funds' portfolio. Creating exposure is typically done by reinvesting borrowings, or using financial derivative instruments, or using other arrangements, such as securities lending and repurchase agreements.

The sub-funds may borrow to invest, trade on margin, use derivatives or leverage their investments with prime brokers, other brokers, banks, or other financial institutions on a secured or unsecured basis. The overall leverage of a sub-fund depends on the investment strategies employed by that sub-fund and specific market opportunities.

The AIFM is responsible for calculating the sub-funds' leverage in accordance with the AIFMD.

Leverage is expressed as a ratio ('leverage ratio') between the exposure of the sub-fund and its net asset value. The leverage ratio is calculated in accordance with two methodologies under the AIFMD for calculating the exposure of the sub-funds, the gross method, and the commitment method, as summarised below.

Method	Description
Gross method	Consists in calculating for each sub-fund (excluding cash or cash equivalents)— ▪ the sum of the absolute values of all positions ▪ the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by a sub-fund in accordance with the conversion methodologies for gross exposure calculation ▪ the exposure resulting from the reinvestment of cash borrowings where applicable ▪ the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.
Commitment method	Consists in calculating for each sub-fund— ▪ the sum of the absolute values of all positions ▪ the market value of an equivalent position in the underlying asset or the derivative's notional value, as appropriate ▪ applying netting and hedging arrangements ▪ the exposure resulting from the reinvestment of cash borrowings where applicable ▪ positions within repurchase agreements and securities lending or borrowing or other arrangements as applicable.

See Sub-Fund Descriptions for the expected and maximum leverage levels, types and sources of leverage permitted, and leverage risks.

BORROWINGS

The sub-funds may also borrow for cash management purposes, such as to satisfy redemption requests or make other payments. To facilitate those borrowings, we may, among other things, enter into credit facilities with banks or other credit institutions, and pledge or give as security the sub-funds' assets.

RAMP UP PERIOD

The risk-spreading rules do not apply during the first 12 months of a sub-fund's operation, but each sub-fund will seek to be sufficiently diversified during that period

LIQUID ASSETS

A sub-fund may usually hold liquid assets up to 50 per cent of its assets, and occasionally more than that restriction if we think this is in the interest of the sub-fund (including its shareholders) based on market conditions or investment opportunities.

MASTER-FEEDER FUNDS

A sub-fund can be structured as a feeder fund of another Luxembourg or foreign master fund. The master fund will be required to provide sufficient evidence that it is subject to appropriate risk-spreading requirements.

CROSS-INVESTMENTS

A sub-fund may invest into one or more other sub-funds—also called cross-investing—but for the duration of the investment—

- a sub-fund invested into may not invest back in the investing sub-fund
- the voting rights attached to the shares of the sub-fund invested into are suspended
- the value of the shares of the sub-fund invested into is not counted for the purposes of assessing the minimum capital of the company.

INVESTMENT BREACHES

Investment restrictions only apply at the time when an investment is made. If one or more restrictions are breached for reasons other than the making of investments—such as dealing in shares, or variations in value of one or more investments—we will remedy the situation in the interest of the shareholders affected by the breach.

CHANGES TO INVESTMENT TERMS

We may change the investment objectives, policies, and restrictions of the sub-funds with or without shareholder consent.

We will notify shareholders affected by those changes. If those changes are fundamental, we will also seek the consent of the shareholders affected by those changes or give them the right to redeem their shares with at least 30 days' notice.

You should determine whether the sub-funds remain an appropriate investment considering your then-current financial position and needs.

What to Know about Risk Management

GLOBAL RISK MANAGEMENT

The AIFM continuously monitors and measures the overall risk profile of each sub-fund, including risks from direct investment, derivatives, techniques, collateral, and all other sources, consistent with a risk management policy approved by its board.

Global exposure assessments are calculated every business day (whether or not the sub-fund calculates a NAV for that day), and covers numerous factors, including coverage for contingent liabilities created by derivative positions, counterparty risk, foreseeable market movements and the time available to liquidate positions.

LIQUIDITY RISK MANAGEMENT

The AIFM maintains a liquidity management system to identify, manage and monitor the liquidity risk of each sub-fund. The AIFM complies with the liquidity risk management requirements under CSSF circular 20/752 applying the guidelines of the European Securities and Market Authority (ESMA) on Liquidity Stress Testing in UCITS and alternative investment funds that are designed to assess the resilience of the liquidity profile of sub-funds to a combination of—

- unfavourable market liquidity conditions
- anticipated outflows under normal and exceptional market conditions.

The AIFM checks that the investment strategy, the liquidity profile and the redemption policy for each sub-fund are consistent.

We may also use tools and arrangements necessary to handle illiquid assets (such as gates and side pockets).

How the Sub-Funds Integrate ESG and Sustainable Investing

This section describes what environmental, social and governance (ESG) information is and how it may be integrated into the investment decision-making process. It does this by defining ESG integration as well as how sub-funds with sustainable investing objectives, which go beyond integration, fit into categories to achieve that.

ESG issues are non-financial considerations that may positively or negatively affect a company's or an issuer's revenues, costs, cash flows, value of assets or liabilities.

- Environmental issues relate to the quality and functioning of the natural environment and natural systems such as carbon emissions, environmental regulations, water stress and waste.
- Social issues relate to the rights, wellbeing and interests of people and communities such as labour management and health and safety.
- Governance issues relate to the management and oversight of companies and other investee entities such as board composition, ownership and pay.

ESG issues can erode the value of assets and limit access to financing. Companies or issuers that address these issues by adopting sustainable business practices seek to manage the risks and find related opportunities to create long-term value.

When investors entrust us with their investments, it is our duty to serve their interests by providing investment solutions that deliver competitive and long-term performance. Our commitment to responsible investment is a part of this duty. Responsible investing entails making better-informed investment decisions, addressing sustainability issues, dilemmas, and risks, and influencing sub-fund portfolio companies through active dialogue to contribute to a positive outcome.

ALL SUB-FUNDS

For all sub-funds, we consider, in addition to financial criteria, ESG criteria which could enhance long-term risk-adjusted returns for investors, in accordance with the investment objectives and policies of the sub-funds. As a result, we are willing to integrate ESG criteria into the investment process, either directly or through the investment manager, without being determining factors in the investment management's decision.

All sub-funds incorporate sustainability risks alongside other risks when making investment decisions in line with Article 6 SFDR.

The ESG data sources used to assess and monitor the sustainability risks are mainly companies' public information, direct engagement with companies, financial press as well as external ESG data providers (if need be).

At this stage, the sub-funds do not promote ESG characteristics and do not have as objective sustainable investments as defined in Articles 8 or 9 SFDR.

How the Sub-Funds Use Instruments and Techniques

All the sub-funds may use the instruments and techniques in accordance with the alternative investment funds managers law, the Securities Financing Transactions regulation (EU) 2015/2365 (SFTR and other applicable laws. Each sub-fund's usage must comply with its investment objective and policies and not increase its risk profile beyond what it otherwise would have been.

When using derivatives, the company must comply with EMIR and we have adequate procedures and oversight arrangements in place to comply with EMIR.

WHAT CAN DERIVATIVES BE USED FOR

A sub-fund may use derivatives to—

- hedge its portfolio against various types of risks
- manage its portfolio efficiently
- gain exposure to certain investments or markets.

To understand how a particular sub-fund may use derivatives, see Sub-Fund Descriptions.

Hedging. Hedging is taking a market position that is in the opposite direction from the position created by other investment, for the purpose of reducing or cancelling out exposure to price fluctuations or certain factors that contribute to them.

Derivatives used for hedging seek to reduce risk such as equity, credit, volatility, currency, market, and interest rate (duration) risk. Hedging can take place at a portfolio level or, in respect of currency hedging, at share class level—

- *Credit hedging* Typically done using credit default swaps. The goal is to hedge against credit risk. This includes—
  - direct hedging (purchasing or selling protection against the risks of specific assets or issuers)
  - proxy hedging (taking an opposite position in a different investment that is likely to behave similarly to the position being hedged).
- *Currency hedging* Typically done using currency forwards. The goal is to hedge against currency risk. This includes—
  - direct hedging (same currency, opposite position)
  - cross-hedging (reducing exposure to one currency while increasing exposure to another, the net exposure to the base currency being left unchanged), when it provides an efficient way of gaining the desired exposures
  - proxy hedging (taking an opposite position in a different currency that is considered likely to behave similarly to the base currency)
  - anticipatory hedging (taking a hedge position in anticipation of an exposure that is anticipated to arise as the result of a planned investment or other event)
- *Duration hedging* Typically done using interest rate swaps, swaptions and futures. The goal is to seek to reduce the exposure to rate shifts for longer-maturity bonds.
- *Price hedging* Typically done using options on indices (specifically, by selling a call or buying a put). Usage is generally limited to situations where there is sufficient correlation between the composition or performance of the index and that of the sub-fund. The goal is to hedge against fluctuations in the market value of a position.
- *Interest rate hedging* Typically done using interest rate futures, interest rate swaps, writing call options on interest rates or buying put options on interest rates. The goal is to manage interest rate risk.

Investment exposure. A sub-fund can use derivative and other techniques to gain exposure to permissible assets, in particular when direct investment is economically inefficient or impracticable. That exposure may exceed the one than would be obtained through direct investment in that position (leverage effect).

Leverage. A sub-fund can use derivatives and other techniques to increase its total investment exposure beyond what would be possible through direct investment. Leverage typically increases portfolio volatility.

Efficient portfolio management. A sub-fund can use derivatives and other techniques to reduce risks or costs, to manage cash efficiently, to maintain liquidity, or to generate additional capital or income—for instance, maintaining 100% investment exposure while also keeping a portion of assets liquid to handle redemptions of shares and the buying and selling of investments.

Efficient portfolio management does not include any activities that create leverage at the overall portfolio level.

DERIVATIVES THE SUB-FUNDS CAN USE

Derivatives used. A derivative is a financial contract whose value depends on the performance of one or more reference assets. Examples of reference assets include securities (individually or as a basket), funds, currencies, rates (interest, inflation, exchange), indices (equity, debt, commodity, volatility) and other derivatives.

The derivatives most used by the sub-funds are—

- *Options* A sub-fund may buy or sell call or put options on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments.
- *Futures* A sub-fund may enter into listed futures contracts on equities, interest rates, indices, bonds, currencies, or other instruments or options on such contracts.
- *Forwards* A sub-fund may buy foreign exchange contracts (including non-deliverable forwards).
- *Swaps* A sub-fund may enter into contracts where two parties exchange the returns from two different reference assets. These may include total return swaps (TRS), credit default swaps (CDS), contracts for difference (CFD), foreign exchange swaps, commodity index swaps, interest rate swaps and swaps on baskets of equities, volatility swaps, variance swaps and CDS indices.

Exchange-traded or over-the-counter (OTC)). Futures are generally exchange-traded. All other types of derivatives are generally traded OTC, meaning they are in effect private contracts between a sub-fund and a counterparty.

For any index-linked derivatives, the index provider determines the rebalancing frequency and there are no costs to the relevant sub-fund when the index itself rebalances.

Any sub-fund must be capable of meeting all its payment and delivery obligations incurred by transactions involving derivatives.

A sub-fund may use more exotic derivatives (derivatives whose payoff structure or underlying assets are more complex) if it is consistent with its investment restrictions.

INSTRUMENTS AND TECHNIQUES THE SUB-FUNDS CAN USE

All sub-funds may use the techniques and instruments on securities and financing transactions described in this section.

Any sub-fund must be able to meet its redemption obligations towards shareholders and its delivery obligations toward counterparties.

No sub-fund may sell, pledge, or give as security any securities received through these contracts.

Securities lending and borrowing In securities lending and borrowing transactions, a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested by the lender.

Under a securities lending transaction, a sub-fund lends assets to qualified borrowers, for a determined duration or returnable on demand, in exchange for cash or other compensation. The borrower must provide a guarantee, in the form of collateral, that extends throughout the loan period and is at least equal to the global valuation of the securities lent, plus the value of any haircut considered appropriate in light of the collateral quality.

A sub-fund may also borrow securities, but only in exceptional circumstances, such as—

- when securities that have been lent are not returned on time
- when, for an external reason, the sub-fund could not deliver securities when required to.

USAGE

Information on the use of securities financing transactions within the meaning of SFTR will be disclosed in accordance with Article 14 of SFTR.

A sub-fund's expected usage is an indicative limit, not a regulatory limit, and a sub-fund may exceed the expected usage on occasion.

The prospectus will be updated in case of any material change to the use of derivatives, securities financing transactions and total return swaps under SFTR or under the reserved alternative investment fund rules.

REVENUES

In general, any net revenues from the use of derivatives and techniques will be paid to the applicable sub-fund, net of reasonable operational costs and fees.

COUNTERPARTIES TO DERIVATIVES AND TECHNIQUES

We carefully select and approve counterparties before they can serve as such for a sub-fund.

A counterparty will be assessed on—

- regulatory status or prudential supervision
- operational processes
- creditworthiness.

While we do not apply any predetermined legal status or geographical criteria when selecting counterparties, we typically take these elements into account in the selection process.

Unless otherwise stated in this prospectus, no counterparty to a derivative held by any sub-fund can serve as an investment manager of that sub-fund or any other sub-fund of the company, or otherwise have any control or approval over the composition or management of such a sub-fund's investments or transactions or over the assets underlying a derivative. Affiliated counterparties are allowed provided that the transactions are conducted at arm's length.

COLLATERAL

sub-funds may receive collateral, meaning assets from counterparties in connection with transactions in securities lending, repurchase transactions and OTC derivatives with the aim to reduce their counterparty risk. The AIFM determines the level of collateral required considering the nature and type of transactions, the creditworthiness and identity of counterparties, and the market conditions.

Collateral received is valuated daily at market price (mark-to-market). Haircuts may be applied to the collateral received (which depends on the type and subtypes of collaterals), considering credit quality, price volatility and any stress-test results. Haircuts on debt securities are namely based on the type of issuer and the duration of these securities. Higher haircuts are used for equities.

Margin calls are in principle made daily unless stipulated otherwise in a framework agreement covering these transactions if it has been agreed with the counterparty to apply a trigger threshold.

A sub-fund may transfer or pledge to any counterparty cash collateral received for the benefit of the sub-fund.

A sub-fund may sell, re-invest or pledge non-cash collateral up to the maximum usage permitted for repurchase transactions as specified in Sub-Fund Descriptions.

RISKS

The risks associated with using derivatives, instruments and techniques are described in Understanding Risk.

SHARE CLASSES AND COSTS

Share Classes

This section explains how share classes work, and the various charges that you pay and how they work.

WHAT TO KNOW ABOUT SHARE CLASSES

Management and investor share classes. In each sub-fund, we issue—

- *Management shares* Shares with full voting rights that only the investment manager or investment adviser may hold
- *Investor shares* Shares with limited voting rights that can be subscribed by eligible investors.

We issue management shares and investor shares in different share classes.

Each share class participates in the same portfolio of assets and incurs the same liabilities as the other classes in that sub-fund.

All the share classes come with the terms and designations specified in this prospectus and the articles.

Terms. Each share class carries different rights and obligations, and other features.

Examples of those terms include—

- currency
- investor eligibility
- investment or holding minima
- fees and charges
- allocation of income
- distribution policy
- liquidity
- voting rights
- reporting obligations.

Designations. Each share class is identified first by a base class label (described in the table below) and then by applicable suffixes and currency abbreviations.

WHAT SHARE CLASSES ARE AVAILABLE

While any sub-fund may issue any base class and configure it with any combination of the features described below, in practice only certain configurations are available in a sub-fund. Also, some sub-funds or share classes that are available in certain countries may not be available in others. For the most current information on available share classes, go to https://www.mcsquare.lu/nk-fund/ .

Share Class Specifications

The information below describes all currently existing base share classes and suffixes.

			Minimum investment and holding amounts		
Base share class	**Eligible investors**	**Initial Investment**	**Additional Investment**	**Holding Amount**	**Additional features**
A	All eligible investors	EUR 125,000 or equivalent in another currency	None	EUR 125,000 or equivalent in another currency	Limited voting rights
B	All eligible investors who have entered into a discretionary portfolio management agreement or into an advisory agreement with the investment manager	EUR 125,000 or equivalent in another currency	None	EUR 125,000 or equivalent in another currency	Limited voting rights
C	Employees and representatives of the investment manager or investors approved by the investment manager who have subscribed for shares during a period of six months starting on a date determined by the directors, at their discretion	EUR 125,000 or equivalent in another currency	None	EUR 125,000 or equivalent in another currency	Limited voting rights
D	The investment manager only	One management share	One management share	One management share	Full voting rights

WAIVERS AND REDUCED MINIMA

We may reduce or waive the initial investment, additional investment or holding amounts with respect to any sub-fund, share class or investor.

If you are unsure which share class you are eligible to invest in, then you should contact the AIFM or your intermediary.

For a definition of eligible investor, institutional investor, or professional investor, see Glossary.

SHARE CLASS NAMING CONVENTIONS

Share class names are structured as follows—

NK Fund SICAV - RAIF	[sub-fund name]	A	EUR	perf (acc)	hedged
1	2	3	4	5	6

All these designations are explained below.

1 Company. All share classes begin with this designation.

2 Sub-fund. All share classes include the designation of the sub-fund.

3 Base share class. One of the base share classes shown in the table above.

4 Currency code. All share classes include a three-letter code (ISO 4217) that indicates the share class currency, which may or may not be the same as the base currency of the sub-fund.

5 Suffixes

- Performance fees
  - **perf** Indicates that the share class has a performance fee; for additional information on performance fees, see Performance Fee – Description.
- Distribution policy
  - **(acc)** Does not pay dividends; earned income is retained in the share price.
  - **(dist)** May pay dividends out of earned income; dividends may vary and are not guaranteed.
  - **(div)** Automatically pays dividends out of earned income; dividends may vary and are not guaranteed.
  - **(inv)** May pay dividends but they will automatically be reinvested in the same share class unless you request in writing that dividends be paid to you; when dividends are reinvested, new shares will be issued on the payment date at the share price.

We usually declare dividends at least annually. When a dividend is declared, the share price is reduced by the amount distributed. We may declare additional dividends as and when we think fit. We will not declare dividends if the assets of the company are below the minimum capital requirement, or if paying dividends would cause that situation to occur.

We pay dividends in the share class currency, to the bank account details on record for your shareholder account.

You are entitled to dividends for shares you hold on the dividend record date. We will withhold dividends due on shares for which we have not received payment until they have been paid for. If a dividend payment remains unclaimed for five years after the dividend record date, it will be forfeited and returned to the sub-fund. We may carry out authentication procedures which could result in the delay of any dividend payment.

Dividends paid out prior to the annual general meeting are considered interim dividends and are subject to confirmation—and potentially to revision—at that general meeting.

6 Hedging. Share classes may be unhedged or currency hedged.

(hedged) Indicates that the share class use one of the two currency hedging models explained below. The shares can be denominated in any currency shown in Sub- Fund Descriptions, or in any other currency subject to the agreement of the AIFM.

- **NAV hedged share class.** Seeks to minimise the effect of exchange rate fluctuations between the sub-fund base currency and the share class currency. It is typically used when most portfolio assets are either denominated in, or hedged back to, the sub-fund base currency. In the NAV hedged share classes, the sub-fund base currency is systematically hedged to the share class currency of the hedged share class. In a NAV hedged share class, you receive an excess return or loss similar to that of the shares issued in the base currency of the sub-fund.
- **Portfolio hedged share class** Seeks to minimise the effect of exchange rate fluctuations between the currency exposures of the sub-fund assets and the share class currency. It is typically used when most portfolio assets are neither denominated in, nor hedged back to, the sub-fund base currency. In these share classes, the currency exposures are systematically hedged back to the share class currency of the hedged share class in proportion to the currency hedged share classes share of the NAV of the sub-fund, unless for specific currencies it is impractical or not cost effective to hedge the exposure. In a portfolio hedged share class, you will not benefit or suffer loss caused by exchange rate fluctuations between the currencies of the portfolio assets being hedged and the share class currency, whereas shares in the base currency of the sub-fund will.

To see which hedging model a sub-fund uses, see Sub-Fund Descriptions.

Costs

This section describes the various charges that you pay and how they work.

WHAT TO KNOW ABOUT COSTS

Costs are an important consideration in choosing a sub-fund. That is because you, as a shareholder, pay a proportionate share of the costs of operating that sub-fund and any transaction costs incurred when the company buys or sells assets in that sub-fund. The charges you pay as an investor in the sub-fund go to cover sub-fund operating expenses, including distribution costs. These ongoing charges reduce the performance of your investment. Even seemingly small differences in costs can, over time, have a material effect on a sub-fund's performance.

ONE-OFF CHARGES TAKEN BEFORE OR AFTER INVESTING

These charges (including rounding adjustments) are deducted from your investment, switch, or redemption proceeds, and are paid to the investment manager. The fees shown are maximums. To find out the actual fee for a transaction, contact the AIFM or your intermediary.

1 Initial charge. Charged on share purchases; calculated as a percentage of the NAV per share; may be waived in whole or in part by the investment manager.

2 Switch charge Charged on switches from one share class to another share class;**.** Calculated as a percentage of the NAV per share; may be waived in whole or in part by the investment manager.

3 Redemption charge Calculated as a percentage of the NAV per share, and deducted from your proceeds before payment; may be waived in whole or in part by the investment manager.

CHARGES TAKEN FROM THE SHARE CLASS OVER A YEAR (ANNUAL FEES)

Charges taken from the sub-fund over a year. These fees cover sub-fund operating costs, including management, administration, and depositary. These fees are accrued at each valuation day on the total assets in the relevant share classes and sub-funds and deducted from sub-fund assets quarterly, and therefore reduce the performance of your investment.

These fees are the same for all shareholders of a sub-fund and share class.

Sub-fund expenses. Expenses not included in the management, depositary and administration fees paid directly by the sub-funds and include—

- paying agents and country representatives fees
- audit fees and expenses
- legal fees and expenses
- ongoing registration fees, including translation expenses
- documentation costs and expenses, such as preparing, printing, and distributing the prospectus or any other offering document, as well as shareholder reports and investor statements and any other documents made available to investors
- formation expenses, such as legal, organisation and registration costs, which can be amortised over as long as five years from the formation date of a sub-fund
- publication costs and expenses, for publishing share prices, postage, and other means of communication.

How sub-fund expenses are applied and used. All expenses that are paid from sub-funds' total assets are reflected in NAV calculations, and the actual amounts paid are documented in the shareholder report.

All fees paid by the company are subject to VAT where applicable. Each sub-fund and share class pays all costs it incurs directly and also pays its share (based on its total net asset value) of costs not attributable to a specific sub-fund or share class.

These fees and expenses are calculated for each share class as a percentage of the NAV of that share class. They are accrued at each valuation day and paid as specified in Sub-Fund Descriptions.

Each sub-fund and each share class pays all costs it directly incurs and also pays costs not attributable to a specific sub-fund or share class, typically in proportion to its total net assets. Transaction costs associated with operating the currency hedged share classes are borne by those share classes.

4 Management fee. This fee is paid to the AIFM, and where applicable the investment manager, for their services relating to the management of the sub-funds' assets. The AIFM and the investment manager can vary this fee, at any time and for any period, to any rate between zero and the maximum specified.

5 Advisory fee This fee is paid to the investment adviser when used by a sub-fund. An investment adviser can vary this fee, at any time and for any period, to any rate between zero and the maximum specified.

6 Distribution fee This fee is paid to the intermediaries for their services for marketing and distributing share classes when used by a sub-fund. The AIFM can vary this fee, at any time and for any period, to any rate between zero and the maximum specified.

7 Depositary fee. This fee is paid to the depositary and consists of a depositary fee (for safekeeping, administration, and transaction charges) and a fiduciary fee. Safekeeping and administration charges are based on the value of assets held in custody and vary from sub-fund to sub-fund depending on the countries the sub-funds are invested in. The depositary also charges a fixed fee per year and per sub-fund. The maximum depositary fee, not including transaction costs, is 0.06 per cent of a sub-fund's net assets per year. The depositary fee is subject to an annual minimum amount of EUR 24,000 per sub-fund.

8 Administration fee. This fee is paid to the administrator in its capacity as administrative agent, registrar and transfer agent of the company. Depending on the services provided,the administrator charges fixed fees per year and per sub-fund or per share class or per transaction and a maximum variable fee of 0.018 per cent annually calculated on a sub-fund's average net assets.

When a sub-fund invests in any collective investment undertaking that the AIFM manages, we will either avoid double-charging of management fees or rebate it. However, if the collective investment undertaking charges a higher management fee, the difference may be charged to the investing sub-fund. If the collective investment undertaking combines management and other fees and charges into a single total expense ratio, the whole total expense ratio will be waived. Where a sub-fund invests in undertakings not affiliated with the AIFM, the fee shown in Sub-Fund Descriptions may be charged regardless of any fees reflected in the price of the shares or units of the collective investment undertaking.

9 Performance fee.

General description In some share classes—designated with the suffix **(perf)**, a sub-fund deducts a performance fee from the NAV and pays it to the sub-fund management team. This fee is designed to reward the sub-fund management team when it has achieved performance during a specific period.

Performance fee rate In share classes that pay a performance fee, the sub-fund management team will receive a performance fee based on a percentage of the increase in the NAV of shares up to a crystallisation date. The performance fee is calculated separately for each share class. To know if your shares pay a performance fee and the rate of that fee, see Sub-Fund Descriptions.

Calculation basis The performance fee is based on the NAV per share after deducting all expenses and liabilities in the share class, including the management fee (but not the performance fee).

Calculation frequency The calulation frequency of the performance fee matches the calculation frequency of the NAV.

The performance fee is calculated and accrued in the NAV of the relevant share class on each valuation day.

Performance fee model

The performance fee is calculated using the following model —

High-water mark **and** hurdle rate (cumulatively).

High-water mark The high-water mark of a share is the highest NAV per share recorded during the five preceding years closed (or during all years closed, if the share is in issue for less than five years).

Hurdle rate The hurdle rate is a fixed rate of return of 6% “year-to-date”.

Under the high-water mark **and** Hurdle rate model, the performance fee is chargeable only if the NAV per share exceeds the High-water mark, and its year-to-date performance exceeds the hurdle rate.

Performance fee rate The performance fee rate is set at 15% of the outperformance.

Crystallisation is the point of time at which the accrued performance fee becomes payable to the investment manager.

The performance fee shall not be crystallised more than once a year.

The crystallisation day corresponds to 31 December each year.

Any performance fee due will generally be paid within 30 business days after the relevant crystallisation date.

There is no maximum cap to the amount of performance fee that may be charged.

Recovery of negative performance. The performance fee is only payable where positive performance over the high-water mark **and** hurdle rate is recorded on a crystallisation date.

If a sub-fund is liquidated or reorganised, the pro rata of the year-to-date performance accrual that relates to such shares is considered as due regardless of the performance of the sub-fund after such liquidation, reorganisation or net redemption.

Liquidation or reorganisation If the share class is liquidated or terminates because of a reorganisation, the performance fee crystallises on the date of the liquidation or termination.

Merger In case of a merger of a sub-fund, the crystallisation of the performance fee of the merging sub-fund should be authorised subject to the best interest of investors in both the merging and the receiving sub-fund.

Dividends The high-water mark is decreased if dividends are paid in a share class.

Formula

if A<B or C<D then G = 0, else G = (A-(H*(1+D)))*F*I with G being capped to (A-B)*I

A	=	Year-end NAV per share (before performance fee)
B	=	high-water mark
C	=	Yearly NAV per share performance (before performance fee)
D	=	Hurdle rate
E	=	NAV per share performance over hurdle rate
F	=	performance fee rate
G	=	Performance fee per share due
H	=	Year-end NAV per share (after performance fee)
I	=	Number of shares outstanding

Examples of how performance fee is calculated

Accounting year	Highest NAV per share recorded	Year-end NAV per share (before performance fee)	High-water mark	Yearly NAV per share performance (before performance fee)	Hurdle rate	NAV per share performance over hurdle rate	Performance fee Rrate	Performance fee per share due	Year-end NAV per share (after performance fee)
Year 1	112,00	110,00	N/A	10,00%	6,00%	4,00%	15,00%	0,60	109,40
Year 2	125,00	117,00	112,00	6,95%	6,00%	0,95%	15,00%	0,16	116,84
Year 3	114,00	111,00	125,00	-5,00%	6,00%	-	15,00%	0,00	111,00
Year 4	123,00	115,00	125,00	3,60%	6,00%	-	15,00%	0,00	115,00
Year 5	148,00	124,00	125,00	7,83%	6,00%	1,83%	15,00%	0,00	124,00
Year 6	155,00	149,00	148,00	20,16%	6,00%	14,16%	15,00%	1,00	148,00

OTHER CHARGES NOT INCLUDED ABOVE

Most operating expenses are included in the charges described above. However, each sub-fund bears transaction fees and extraordinary expenses such as—

- marketing fees
- transaction fees—
  - brokerage fees and other charges
  - bank and interest charges
  - expenses for operating hedged share classes
  - other transaction-related costs and expenses
- extraordinary expenses—
  - interest and any tax or similar charge imposed on a sub-fund
  - litigation expenses
  - indemnification expenses
  - liquidation expenses
  - any extraordinary or other unforeseen expenses.

All these expenses are paid directly from the sub-fund assets and are reflected in share prices. As a result, different share classes usually have different share prices.

REBATES

The AIFM may pay amounts it receives, or a part of them, as commission, retrocession, rebate, or discount to investors or intermediaries, based on the size, nature, timing, or commitment of their investment, among other considerations.

INVESTING IN THE COMPANY

Dealing in Shares

This section explains the basics of doing business with the company.

Holding shares. You can hold shares—

- directly with the company, or
- indirectly through an intermediary (such as a bank, a broker, a financial adviser, and a distributor).

If you are doing business directly with the company, you should carefully read each topic in this section that relates to your relationship with the company.

If you are doing business through an intermediary, you can use this information as well, but we recommend that you place all dealing orders through your intermediary unless there is reason not to.

Contacting the company. Please contact us for current information. See Contact and communications.

INFORMATION THAT APPLIES TO ALL DEALS EXCEPT TRANSFERS

Available share classes. Not all share classes are available everywhere or to anyone. The information in this prospectus about available share classes is as of the date of this prospectus. For the most current information on available share classes, go to https://www.mcsquare.lu/nk-fund/ . or request a list free of charge from the AIFM.

How to place an order. You can place orders to buy, exchange, or sell shares by—

- fax
- post

electronic means, such as approved electronic clearing platforms.

When placing an order, you must include all necessary identifying information, including the account number and the name and address of the account holder exactly as they appear on the account. Your order must indicate the sub-fund, share class, ISIN number, transaction size (currency, number of shares or invested amount), type of transaction (buying, switching, or selling) and settlement currency.

You can place the order either as a currency amount, or as a share amount (including fractional shares up to three decimal places).

If you deal in amount, the number of shares dealt in is calculated by dividing the subscribed amount by the share price (NAV+ subscription fee if applied). The share price may be rounded to up or down to two decimal places. This rounding may result in a benefit to the sub-fund or to you. The share price applied for any transaction is shown on your contract note.

If your order is not accurate or complete, we may delay or reject it, and will notify you if we do so. We are not responsible for losses or missed opportunities associated with inaccurate or incomplete orders.

How we deal with your order. We will deal with your orders in the sequence we receive them in.

Cancelling an order. Once you have placed an order, you can withdraw it only before the cut-off point. At or after cut-off point, your order is deemed accepted and you may not cancel it anymore. Please be careful when placing an order.

Cut-off point. We usually deal in shares on any day that is a valuation day for a share class. Make sure we receive your dealing order before the cut-off point specified in the Sub-Fund Descriptions. If we receive your order by the cut-off point, we will process it as of that valuation day and apply the share price calculated as of that valuation day. Unless we decide otherwise, if we receive your order after the cut-off point, we will process it on the following valuation day and apply the share price calculated as of the following valuation day.

Settlement. We usually settle your order as of the date specified in the Sub-Fund Descriptions. For redemptions and switches, we can extend the settlement period if we decide to do so because of exceptional circumstances (for example, if a sub-fund does not have adequate liquidity to pay out redemption proceeds). We are not responsible for any delays or charges incurred at any receiving bank or settlement system.

Contract notes. We normally send you a contract note on the business day after your order has been processed.

Dealing at unknown prices. We use a forward pricing model. This means that except for initial offering periods—during which the share price is the launch price—the share price at which we process any deal is not known at the time you place an order.

Currencies. We only accept and make payments in the share class currency.

Charges and costs. You are responsible for all charges associated with your dealings in shares. These costs are explained in Share Classes and Costs; they are specified in Sub-Fund Descriptions. You are also responsible for paying any intermediary fees, taxes, and any other fees or charges associated with your dealing orders.

Payments. We only accept and make electronic payments. We do not accept or make payments by cash or cheque.

Late or missing payments. The payment of a dividend or redemption to you may be delayed, reduced, or withheld if required by foreign exchange rules, other laws imposed by your country, or for other reasons. We are not responsible for late or missing payments, and we do not pay interest on delayed amounts.

Changes to account information. You must promptly notify us of any changes in personal or bank information, particularly any information that might affect your eligibility for any share class. We will require adequate proof of authenticity for any request to change the bank account associated with your investment.

Exceptions and unusual circumstances. The language in this section describes generally applicable terms and procedures. See Rights We Reserve for a description of terms and procedures that may apply under unusual circumstances or if we think fit.

BUYING SHARES

Be sure to check Information That Applies to All Deals Except Transfers before placing your subscription order.

Submitting a subscription form

To make an initial investment, obtain and complete the application documents. Submit a completed subscription form and all account opening documentation such as all required tax and anti-money laundering information as instructed on the application documents. You should also refer to the terms which apply when buying shares. To obtain the application documents and terms that apply to subscriptions, request them free of charge from the AIFM.

If you sent your order to make an initial investment by fax or by electronic means, you must also send the original documents by post.You do not need to send orginal documents by post for subsequent subscription orders.

Note that some distributors may have their own account opening requirements.

Opening an investor account. Once we have accepted your subscription, we will open your investor account in the share register and place your initial order. You can send any additional orders from that moment.

We will allocate shares to your account as soon as your order has been processed. However, they cannot be sold, switched, or redeemed until your payment is received. If we do not receive payment on time for the full amount of your subscription, we may cancel the subscription and seek full payment of our costs and any investment losses. We may do this by taking action against you or your intermediary, or by deducting the amount owed from any assets of yours we hold, including sub-fund shares, payments you are due to receive from us, or a late-arriving or insufficient subscription payment.

You must pay the subscription price for your shares by bank transfer net of bank charges as specified in the Sub-Fund Descriptions. You will find the payment instructions in the application form.

Until we receive settlement for your purchase, your shares are pledged for the benefit of the company. During this period, your voting rights and entitlements to dividend payments are suspended, and you cannot switch or transfer the shares.

Accepting or rejecting an order We may accept or reject your subscription, or part of it. We will reject it if you are a restricted person, for instance if—

- you are not an eligible investor
- you are a US person, unless you have been approved by the directors and the AIFM
- you are in breach of the law or a legal process
- your holding shares would affect us in any way.

Failing to pay in time. If you fail to pay for your shares in time, or if we are aware of a reason why you will fail to do so, we may consider you in default. This means that we may cancel your order without notice at your cost and seek payment of our costs and any investment losses. We may do this by taking action against you, by forcefully redeeming your shares, or by deducting the amount owed from any assets of yours we hold, including distributions or other payments you are due to receive from us.

Restricted persons If we learn or determine that you are a restricted person, we will notify you and require you to transfer your shares to a non-restricted person within 10 business days from the notification, otherwise, we will redeem your shares. We may also take action against you in accordance with the articles.

Contributions in kind. We may accept a contribution of assets other than cash for your subscription. Depending on the circumstances, we may require an independent auditor (*réviseur d'entreprises agréé*) to prepare a valuation report on the contemplated assets at your cost. You may have to pay for the costs of that contributions

SWITCHING SHARES

Be sure to check Information That Applies to All Deals Except Transfers before placing your switch order.

A switch, also known as a conversion, occurs when you use the proceeds from the redemption of shares of one share class to simultaneously purchase shares of a different share class.

You can switch shares of any share class into shares of any other share class of the same sub-fund or another sub-fund.

The switch is subject to conditions—

- you must meet—
  - the eligibility requirements for the share class into which you are requesting to switch into
- the switch must meet the minimum investment amount of the share class you request to into switch into
- any partial switch should leave at least the minimum investment amount in the class being switched out of; if it does not, the order may be processed as a full switch
- the switch must not breach any restrictions of either sub-fund involved.
- The conversion price is based on the NAVs per share in the class you request to switch into and in the class being switched out of plus a switch charge (if applicable). The switch charge calculated as a percentage of the NAV per share . We will process a switch only on the valuation days for the sub-funds involved. This may mean a delay in processing your switch order.

In some cases, switches are only possible with our permission.

REDEEMING SHARES

Be sure to check Information That Applies to All Deals Except Transfers before placing a redemption order.

You may typically redeem your shares at your own initiative, except under certain circumstances.

We generally pay the redemption proceeds for the shares redeemed within the payment periods specified in Sub-Fund Descriptions. All payment periods can be extended because of insufficient cash available, or other exceptional circumstances.

We will pay redemption proceeds only to the shareholders identified in the share register, and only according to the bank account details on file for that investor account. We do not pay interest on redemption proceeds, regardless of the timing of payment.

We will not pay redemption proceeds until we have received and processed an original application and all documentation that we think fit at the time of redemption.

When we apply these measures, it will not delay the processing of your redemption request, but it might affect the timing of when proceeds are released to you.

We are not responsible if we delay execution or decline to execute your redemption order in these circumstances.

We may defer redemptions or switches or compulsorily redeem shares in certain other circumstances – see Sub-Fund Rights Related to Shares for more information.

TRANSFERRING YOUR SHARES

You can initiate a transfer of your shares to another eligible person, by submitting a signed transfer instruction to the company not less than 30 days before the proposed transfer.

Before initiating a transfer, you should contact the administrator or your intermediary to ensure they have all your and the transferee's required tax and anti-money laundering information as instructed on the transfer form.

Transfers and the receiving investor are subject to eligibility requirements and holding restrictions including those that relate to restricted persons. We can reject the request if all the necessary requirements are not met.

The transfer of shares will become effective towards the company and third parties when the directors have accepted the transfer.

You must bear all fees and expenses in relation to that transfer.

Your Obligations as an Investor

Paying for your shares timely. As an investor in the sub-funds, you must pay up for all your shares on the date we ask you to pay for your subscription.

If you don't pay the amount of your subscription in time, we may consider you in default and we may require you to pay interest on the default amount and all fees and expenses incurred by the sub-fund because of that default. If you don't do so, we may forfeit your shares as we think fit, in addition to other remedies we may have in that situation.

Being aware of and complying with all applicable rules. As noted at the beginning of this prospectus, you must obtain the appropriate professional advice (tax, legal, investing) and identify, understand, and comply with all laws, and other restrictions applicable to you or your investment in the company.

Notifying us of changes in information. You must inform us of any changes in your personal or bank information. We will require adequate proof of authenticity for any request to change information held on record associated with your investment.

Informing us of changes in circumstances that could affect your eligibility to own shares. You must inform us of any circumstances that change or come to light that make you ineligible to own shares, put you in breach of the laws of any country, or create a risk of any loss for the company, any sub-fund, other shareholders, or any person associated with the management or operations of the company. You must also inform us of changes to the statements you made in the subscription form.

How We Keep Your Personal Data Private

You, or persons associated with you, must provide information that is personal for various purposes, such as processing orders, providing shareholder services, and complying with applicable laws.

We maintain a privacy policy designed to comply with applicable laws. The privacy policy is detailed in a privacy notice available at https://www.mcsquare.lu/DataProtection. The privacy notice explains, among other things, how we process personal data about individuals who invest in the company or apply to invest in the company and personal data about the representatives and beneficial owners of entities. We may refuse a subscription from a prospective an investor or compel an existing shareholder to transfer or redeem their shares if they do not provide the requested personal data.

We may update the privacy notice at any time.

If you would like further information on how or why we collect, use, disclose, transfer, or process your personal data or how you can exercise your rights in relation to personal data, please address questions and requests to the Data Protection Officer. Those details can be found in the privacy notice.

How We Protect Shareholders and Prevent Crime and Terrorism

You must provide information to comply with laws aimed at preventing crime and terrorism, including money laundering.

IDENTIFYING YOU AS A CLIENT

New accounts. We are required by law to obtain information that we will use to identify you and verify your identity. If we cannot identify you, we may not be able to open your investor account. If we cannot verify your identity, we may, without notice, close your investor account or take such other steps as we think fit under the circumstances. Some investor accounts may require additional information before or after opening that account.

Existing accounts. We are required by law to verify your identity regularly. If we cannot verify your identity, we may, without notice, close your investor account or take such other steps as we think fit under the circumstances.

If we do not receive that documentation timely or the information provided is not adequate or complete, we may delay or reject your dealing order.

EXCESSIVE TRADING AND MARKET TIMING

Background. Some investors try to profit from strategies involving frequent trading of investment funds, such as market-timing. Market-timing occurs when a person engages in frequent dealing of securities of the same investment fund, by taking advantage of time-zone arbitrage, or valuation imperfections or deficiencies.

Some investors also try to engage in frequent trading of investment funds. As money is shifted into and out of a sub-fund by a shareholder engaging in frequent trading, the sub-fund incurs costs for buying and selling assets, resulting in increased brokerage and administrative costs. These costs are borne by all the sub-fund's shareholders, including the long-term investors who do not generate the costs. In addition, frequent trading may interfere with the sub-fund management team's ability to efficiently manage the sub-fund.

Policies to address excessive trading and market-timing. We do not knowingly accommodate market timing or frequent trading. We have adopted policies and procedures reasonably designed to detect and discourage those behaviours. Although there is no assurance that we will be able to detect or prevent frequent trading or market-timing in all circumstances, we have adopted the following policies to address these issues—

- rejecting, suspending, or cancelling any order that appears to represent excessive trading or to be linked to an investor or trading pattern associated with market timing, or
- forcibly redeeming a shareholder's investment, at that shareholder's sole cost and risk, if it appears that the shareholder has engaged in excessive trading which has negatively affected the sub-fund or other shareholders.

Share Issuance, Ownership, and Shareholder Rights

ISSUANCE AND OWNERSHIP

Registered shares. We issue shares in registered form only. This means that a shareholder's name is recorded in the company's share register. When you subscribe to shares, you will not receive share certificates, but a contract note instead.

Share transfers. Shares are freely transferrable and can also be held and transferred through approved electronic clearing platforms.

Paid-up shares. You must pay up for all your shares on the date we ask you to pay for your subscription before we issue them to you.

Investing through a nominee vs directly with the company. When you purchase shares through an intermediary that holds them under its own name (also known as a nominee), that intermediary is legally entitled to exercise rights associated with those shares, such as voting rights. The intermediary maintains its own records and periodically provides you with information concerning shares that it holds on your behalf.

Unless the laws of your country prohibit it, you can invest directly with the company, or through an intermediary that does not use nominee accounts, and in so doing you can exercise all shareholder rights. However, in some countries, a nominee account is the only option available, and you might not have the right to claim direct ownership from the nominee.

SHAREHOLDER RIGHTS

Share class policies. Shares carry no preferential or pre-emptive rights. No sub-fund is required to give existing shareholders any special rights or terms for subscribing for new shares.

Voting rights. Investor shares have limited voting rights. Where permitted to vote, each investor share gets one vote in all matters considered in a general meeting with respect to the company, a sub-fund, or a share class.

Fractional shares. Shares are rounded (upwards or downwards) and issued to one 1000th of a share (three decimal places). Fractional shares receive their proportion of any dividends, reinvestments, and liquidation proceeds, but do not have voting rights unless they aggregate to a whole share.

Record date. You are entitled to distributions for shares you hold on the record date. We will withhold distributions due on shares for which we have not received payment until they have been paid for. If a distribution remains unclaimed for five years after the record date, it will be forfeited and returned to the sub-fund.

Currency of payments. We make payments in the class currency, to the bank account details on file for your investor account. We may carry out authentication procedures which could result in the delay of any payment.

Rights We Reserve

Subject to the articles, we may do any of the following as and when we think fit—

Delay or reject your admission as an investor. We can delay or reject your application to open your account or any order to buy shares, or a part of it. If your admission is rejected, monies will be returned at your risk within ten business days, without interest and less any costs we incurred. Because shares are reserved to eligible investors, we may delay your admission until we are satisfied that you qualify as such. We are not responsible for any losses or missed opportunities because your admission as an investor has been delayed or rejected.

Require you to prove beneficial ownership of shares or eligibility to hold shares or compel you to transfer ownership. If we believe that you own shares for a person that is, appears to be, or is likely to become ineligible to own those shares, we can request you to provide information to establish eligibility or confirm beneficial ownership. If no information is provided, or if we consider the information provided to be unsatisfactory, we may either request that you transfer the shares and provide evidence of having done so, or we may redeem the shares without your consent, on the next dealing day following notice. We may take these steps to comply with laws, to avoid the adverse financial consequences for the company (such as tax charges), or for, any ,other reason. We are not responsible for any losses or missed opportunities because of these forced transfers or redemptions.

Closing your investor account. We can close your investor account if you do not hold shares for more than three months. We are not responsible for any losses or missed opportunities because your account has been closed.

Switching your shares. Accept a request to switch your shares into a share class that is identical but has lower fees when your account meets the investment minimum for the share class with the lower fees.

Waiving the investment minimum for a specific share class. Accept a request to subscribe shares although you do not meet the minimum investment amounts.

Accept assets other than cash as payment for shares or fulfil distributions or redemption payments with

assets other than cash. If you wish to request a subscription or redemption in kind, you must obtain our approval in advance. You must pay all costs associated with the subscription or redemption in kind—such as broker fees and audit report expenses.

If we approve a redemption in kind, we will seek to fulfil the redemption with a selection of securities that closely or fully matches the overall composition of the sub-fund portfolio at the time the transaction is processed. The value of the redemption in kind will be certified by an auditor's report. You may have to bear the associated costs.

We can also request that you accept a redemption in kind. In this case, the sub-fund will bear the associated costs, and you are free to reject the request.

Offer different cut-off points to certain investors, such as those in different time zones, so long as the cut-off point is always before the time the share price is calculated and the underlying client instruction was received by the intermediary before the cut-off point.

Suspend or delay dealings in shares. We may temporarily suspend or delay valuations or deals in shares when any of the following is true—

- it would not be reasonably practicable to—
  - dispose of investments under normal conditions
  - determine the value of any asset or liability of the company accurately
  - calculate the NAV of the company, a sub-fund, or class
- a general meeting has been called to decide on, or the shareholders have been notified of, the liquidation or other reorganisation of the company, sub-fund, or class
- we think that suspending or delaying dealing in shares is in your interest as an investor
- the laws that apply to the company require it or the articles permit it.

A suspension in a share class or sub-fund will apply to all deals in shares (except transfers) in that sub-fund or share class. It will not affect the valuation or dealing in shares in other share classes or sub-funds.

We will notify all persons likely to be affected by a suspension or a delay.

You cannot buy, switch, or sell shares if the valuation of the share class or sub-fund is suspended or delayed, but if you have placed an order, you may withdraw it during that period. Unless you withdraw your request, it will be processed on the first valuation day after the suspension is lifted.

Limit how many shares are redeemed or switched out on a valuation day. If on a valuation day, redemption or switch out orders exceed a portion of shares outstanding in a sub-fund, we may defer the excess to the next valuation day. This is called a gate. See Sub-Fund Description for the gate that applies to your sub-fund.

Similarly, we may defer redemption or switch out orders in exceptional circumstances that may harm shareholders' interest.

All gated orders will be processed before later requests and in the order in which they were accepted unless dealing in shares is suspended or delayed, or the redemption gate is further applied.

Close or re-open sub-**funds or share classes.** We may close or re-open any sub-fund or share class to further investment either from new investors or from all investors, for a limited or unlimited period without advance notice, so long as it is consistent with the interest of shareholders. This may happen when a sub-fund reaches a size such that the capacity of the market or the sub-fund management has been reached and allowing further inflows would be detrimental to the performance of the sub-fund. Once closed, a sub-fund or share class will not be re-opened until we believe that the circumstances that required the closure no longer exist. For information on the status of sub-funds and share classes, contact the AIFM.

Redeem or switch all shares upon receipt of a redemption request that would leave a holding that is lower than the minimum holding amount. If because of redemption, you hold less than the minimum holding amount for a share class, we may redeem or switch the remaining position in that share class. Any fall below the minimum holding amount owing to sub-fund performance will not cause the closing of an account.

forcibly redeem a shareholder's shares or switch a shareholder's holding to another share class if it appears that the shareholder is a restricted person. This applies where it appears that—

- any investor, investing alone or with others—
  - might not be an eligible investor
  - might be a US person, unless approved by the directors and the AIFM
  - might be in breach of law or a legal process, or of their obligations under this prospectus or the articles—such as be holding shares without having met the criteria for that share class (including complying with the minimum holding amount), having exceeded any limitation applicable to their investment, and not having paid for their shares
- such holding might—
  - cause the company (including its shareholders) or, any sub-fund's investment to be liable for anything which the company, that investment or that shareholder might not otherwise have been liable for
  - negatively affect the company (including its shareholders), or any sub-fund investments.

We are not responsible for any gain or loss associated with that redemption, or switch.

Tax

This section summarises current law and practice in Luxembourg. It is subject to change.

WHAT TO KNOW ABOUT TAXATION OF THE COMPANY AND ITS INVESTMENTS

The company is not subject to—

- tax on profits or income
- withholding tax on interest or other distributions
- stamp duty or similar tax.

But the company is subject to a subscription tax at an annual rate of 0.01 per cent of its NAV, calculated quarterly. Reductions and exceptions may apply as specified in the Sub-Fund Descriptions.

The company may be subject to certain taxes in countries where it invests. Those taxes may not be recoverable in Luxembourg.

WHAT TO KNOW ABOUT TAXATION AND REPORTING OF SHAREHOLDERS

Taxpayers in Luxembourg. Shareholders whom Luxembourg considers to be residents or otherwise to have permanent establishment there, currently or in the past, typically will be subject to Luxembourg taxes.

Taxpayers in other countries. Shareholders who are not Luxembourg taxpayers are not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance, or other taxes, with the rare exceptions of certain former Luxembourg residents and any shareholder who owns more than 10 per cent of the shares. However, an investment in a sub-fund typically will have tax implications in any country that considers shareholders to be taxpayers.

CRS and FATCA. To comply with legislation implementing the automatic exchange of information to improve international tax compliance, we will collect information about shareholders and their identity and tax status and will report this information to the Luxembourg tax authorities. Under Luxembourg law, the company or the sub-funds as applicable are reporting Luxembourg financial institutions, and the company intends to comply with the Luxembourg laws that apply to those.

You must provide all tax certifications or other information requested. If you are a reportable person (and controlling persons of certain entities that are passive non-financial entities) will be reported to the Luxembourg tax authorities, and by that tax authority to foreign tax authorities. Additionally, US persons are subject to reporting to the US Internal Revenue Service and may be subject to US withholding tax.

Liquidation

HOW TO LIQUIDATE THE COMPANY

The liquidation of the company requires a shareholder vote. Such a vote can be taken at a general meeting.

We will convene a general meeting to consider liquidating the company if the company's capital is less than two-thirds of the minimum capital.

If the capital is below two-thirds but above one-quarter of the minimum capital, the liquidation requires a majority of the shares participating at the meeting. If the share capital is below one-quarter of the minimum capital, the liquidation requires one-quarter of the shares participating at the meeting. No quorum is required in either case.

In all other circumstances, the decision to liquidate the company will be passed at a general meeting where a quorum is participating and will require two-thirds of the votes cast.

The general meeting will also designate one or more persons to liquidate the company's assets in accordance with Luxembourg law. The liquidators will distribute the net proceeds to the shareholders according to their entitlements.

The company will bear the costs relating to its liquidation.

HOW TO LIQUIDATE A SUB-FUND OR SHARE CLASS

Unlike the liquidation of the company, the liquidation of a sub-fund or share class does not necessarily require a shareholder vote.

We may decide to liquidate a sub-fund or share class (with or without shareholder vote) if any of the following is true—

- the NAV of the sub-fund or share class are so low as to make continued operation viable
- a change in the legal, political, economic, or social situation justifies the liquidation
- an economic rationalisation—such as an overall adjustment of sub-fund offerings—justifies the liquidation
- to do so would be in the interest of shareholders.

We may also convene a general meeting of a sub-fund or class to consider liquidating that sub-fund or class for any reason or no reason. No quorum is required for that meeting and the liquidation will be approved if it receives the majority of the votes cast at the meeting. The liquidation of the last sub-fund must be decided in a general meeting as explained under How to Liquidate the Company.

If you are affected by the liquidation of a sub-fund or share class, we will notify you before the liquidation takes place. You will be able to continue to redeem or switch your shares free of any redemption or switch charges up to the liquidation date, but typically no further subscriptions will be accepted. The share price will reflect any costs relating to the liquidation. We may suspend or refuse these redemptions and switches if we believe it is in the interest of shareholders or is necessary to ensure their fair treatment. Shareholders will be paid the share price as of the liquidation date.

Any liquidation amounts that cannot be distributed to shareholders will be deposited with the *Caisse de Consignation*.

The affected sub-fund or class will bear the costs relating to its liquidation.

Merger and Other Reorganisations

HOW TO MERGE THE COMPANY

The company may merge in two ways—

- another collective investment undertaking merges into the company
- the company merges into another collective investment undertaking.

We may accept the merger of another collective investment undertaking into the company with or without a shareholder vote.

If we decide to merge the company into another collective investment undertaking, we will convene a general meeting. No quorum is required for that meeting and the merger will be approved if it receives the majority of the votes cast at the meeting.

HOW TO MERGE OR REORGANISE A SUB-FUND OR SHARE CLASS

If any of the circumstances detailed under How to Liquidate a Sub-Fund or Share Class is true, we may decide (with or without shareholder vote) to—

- merge a sub-fund into another sub-fund, in the company or in another collective investment undertaking
- merge a share class into another share class in the sub-fund
- reorganise a sub-fund or share class by—
  - splitting a sub-fund or share class into two or more sub-funds or share classes
  - consolidating two or more sub-funds or share classes into one sub-fund or share class
- split or consolidate shares.

We may accept the merger of another sub-fund, or a sub-fund of another collective investment undertaking or another collective investment undertaking into a sub-fund without a shareholder vote.

In all other circumstances, we will convene a general meeting of a sub-fund or class to consider a merger or other reorganisation. No quorum is required for that meeting and the merger or other reorganisation will be approved if it receives the majority of the votes cast at the meeting.

If you are affected by a merger or other reorganisation, we will notify you at least one month before the merger or reorganisation takes place. During that time, you will be able to redeem or switch your shares free of any redemption or switch charges.

We may apply swing pricing (see Swing Pricing) to a merger of sub-funds to minimise the effect of the swing pricing adjustment made on the absorbing sub-fund caused by cash inflows or outflows in the absorbing sub-fund.

UNDERSTANDING PRICING AND VALUATION

How We Calculate Share Prices

TIMING AND FORMULA

We calculate a share price, also known as a net asset value (NAV), as of each valuation day as specified in the Sub-Fund Descriptions.

Each share class has its own NAV. It is calculated using this formula—

$$\frac{\text{(assets – liabilities)}}{\text{number of outstanding shares}} \;+/-\; \text{any swing pricing adjustment} \;=\; \text{NAV}$$

The NAV is calculated to two decimal places.

Each NAV is calculated in the base currency of the sub-fund and, where applicable, exchanged to the class currency.

We make provisions to account for costs attributable to each share class, and for accrued income and gains on investments.

SWING PRICING

We can adjust the share price to compensate for dilutions that can arise in connection with large flows of cash into or out of a sub-fund. We do this to protect shareholders' interest.

These adjustments are normally applied on any valuation day when the total volume of dealing in a sub-fund's shares (meaning purchases and redemptions) exceeds a certain threshold. The adjustments will seek to reflect the anticipated prices at which the sub-fund will be buying and selling assets, as well as estimated transaction costs. The NAV will be adjusted upward when there are large cash inflows into the sub-fund and downward when there are large outflows. For any given valuation day, the adjustment will never be larger than 2 per cent of what the NAV would otherwise be. The price adjustment applicable to a specific sub-fund is available on request from the AIFM.

We make, and periodically review, the operational decisions about swing pricing, including the thresholds that trigger it, the extent of the adjustment in each case, and which sub-funds are and are not subject to swing pricing at any given time.

Swing pricing is usually applied to a merging sub-fund to minimise the effect of the incoming asset flows on the receiving sub-fund.

CALCULATION OF SHARE PRICE, SUBSCRIPTION AND REDEMPTION PRICE

Share price. During the initial offering period, share prices are typically the issue price specified in the Sub-Fund Descriptions. After their initial offering period, shares are issued at their respective net asset value (NAV), called share price.

Subscription price The subscription price is based on the NAV per share plus (if applicable) —

- an initial charge
- a switch charge
- in limited circumstances, adjustments to reflect fiscal charges and dealing costs.

These charges are calculated as a percentage of the NAV per share . They will not exceed the maximum rates shown in Sub-Fund Descriptions.

REDEMPTION PRICE

The redemption price is based on the NAV per share minus (if applicable) —

a redemption charge

- in limited circumstances, adjustments to reflect fiscal charges and dealing costs.

These charges are calculated as a percentage of the NAV per share They will not exceed the maximum rates shown in Sub- Fund Descriptions.

ERROR CORRECTION

If a NAV experiences a calculation error that exceeds a certain threshold (positive or negative), we will address it according to the NAV correction policy.

How We Valuate Assets

NAV CALCULATION

The NAV is calculated based, in part, upon the fair values of the assets in which a sub-fund invests—

Cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received. Valued at full value, minus any discount we think fit if circumstances make full payment unlikely.

Securities and derivatives that are quoted or dealt in on any stock exchange or traded in any other regulated market. Valued at their market value when reliable market quotations are readily available from the primary market on which they are traded. Generally valued at the official closing price, the last reported sales price, or if there were no sales that day, the mean between the closing bid and ask prices.

Generally valued at the most recent quoted price. Where these assets trade on more than one market, we will usually use the prices of the primary market.

Money market instruments and liquid assets. Generally valued at nominal value plus accrued interest or amortised cost.

Derivatives that are not listed on any official stock exchange or are traded over the counter. Valued independently in a reliable and verifiable manner daily, consistent with market practice.

Securities of investment funds. Valued at the most recent net asset value reported by the investment fund.

Assets or liabilities in currencies other than base currency. Valued at the applicable spot rate (applies to currencies held as assets and when translating values of securities denominated in other currencies into the base currency of the sub-fund).

Swaps. Valued at fair value based on the underlying securities (at the close of business or intraday) as well as on the characteristics of the underlying commitments.

Non-listed securities, listed securities or any other assets for which no price quotation is available, or the price determined according to the above methods is not representative of fair value. Valued in good faith at a prudent estimate of their expected sales price.

Any asset or liability not attributable to a particular sub-fund or class will be allocated in proportion to the net assets of each sub-fund or class. All liabilities attributable to a particular sub-fund or class are binding on that sub-fund only.

SUB-FUND RIGHTS RELATED TO NAV CALCULATION AND DEALING ARRANGEMENTS

Calculate a NAV more often than once a day, whether temporarily or permanently. Examples of circumstances that might lead us to calculate additional NAVs include—

- if we think that there had been a material change to the value of a sub-fund's assets
- if there is a subscription in kind and we think it is in your interest to value that subscription separately.

If we decide to change the frequency of the NAV calculation permanently, we will amend the prospectus and notify you accordingly.

Alter dealing arrangements, whether temporarily or permanently. If we decide to change the dealing arrangements permanently, we will amend the prospectus and notify you or seek your consent accordingly.

Apply alternative valuation methods. If we think fit, we can apply other valuation methods than those detailed above, such as—

- using other pricing sources
- valuing securities at either their bid or offer prices, given the prevailing market conditions or the level of subscriptions or redemptions relative to the size of the sub-fund
- adjusting the NAV for dealing charges incurred by a sub-fund, up to 2 per cent of the total net assets of the sub-fund at the time, and only if there is no swing pricing in effect on the same share class at the time
- using fair value methods.

We determine fair value prices in accordance with procedures adopted by the AIFM. When we use fair value pricing, we may use prices of securities that differ from quoted or published prices for the same securities.

We only apply alternative valuation methods when we think those methods are justified considering unusual market volatility or other circumstances. We apply fair value adjustments consistently to all share classes within a sub-fund.

ONGOING COMMUNICATIONS

Notices and Publications

KEEPING YOU UP TO DATE

We are committed to keeping you informed about your investment. Because of this—

- each time you deal in shares, we will send a contract note
- every year, we will send—
  - an account statement to keep you up to date
  - a shareholder report in the six months of the financial year end.

CHANNELS

We make materials available through the following channels—

Information/document	Sent	Media	Online	Office
PRIIPs KIDs			•	•
Prospectus			•	•
Articles				•
Application forms				•
NAV			•	•
Dividend announcements	•			•
Shareholder reports				•
General meeting notices	•			•
Other notices	•			•
Statements/contract notes	•			
Service provider agreements				•

KEY

Sent. Sent to you at the address on the register (physically, electronically, or as an emailed link if appropriate).

Media. Published in newspapers or other media (such as newspapers in Luxembourg and other countries where shares are available, or electronic platforms), or on RESA.

Online. Posted online on https://www.mcsquare.lu/nk-fund/ , except for the articles, which are available on RESA.

Office. Available free upon request from the registered offices of the company and the AIFM, and available for inspection at those offices.

Other notices Include notices of prospectus changes, liquidation, merger, or other reorganisation of sub-funds or share classes, suspension of dealing in shares, and all other circumstances for which a notice is required. We will send you a notice where required by law.

Service provider agreements Include those with the AIFM, the investment manager, the sub-investment manager, the administrator, and the depositary.

Information on past performance appears by share class in the PRIIPs KID for each sub-fund, and in the shareholder report.

We make additional information available at the offices of the company and the AIFM. This additional information includes procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the company, the best execution policy as well as the arrangements relating to the fees, commissions, or non-monetary benefits in relation to the management or administration of the company.

SHAREHOLDERS MEETINGS

We hold an annual general meeting no later than six months after the financial year end. We can call other general meetings at other places and times; if any are scheduled, we will inform you by way of notices, which we will publish where required by law. These notices will include the agenda and specify the place of the meeting.

As a shareholder, you can participate at general meetings; decisions concerning your rights as a shareholder of a sub-fund or share class will be discussed in a general meeting of that sub-fund or share class.

The holders of management shares usually make decisions at general meetings. As a holder of investor shares, you do not have voting rights unless when the discussion at a general meeting may result in—

- amending the rights attaching to your shares
- liquidating the company
- in some circumstances, liquidating, merging, or otherwise reorganising a sub-fund or a share class.

The notice will indicate the quorum requirement applicable to the general meeting. When no quorum is required, decisions will generally be taken if approved by a majority of those shareholders that vote on the matter.

Where you are permitted to vote, you can vote at general meetings, in person, by proxy, by electronic means, or by ballot.

To fully exercise your rights as a shareholder, including voting rights, your shares must be registered in your name, not that of a nominee or other intermediary holding shares on your behalf.

If you are a restricted person (see Your Obligations as an Investor), we may suspend your voting rights (excluding your right to information) until the breach is cured. You may also waive your voting rights if you wish.

QUERIES AND COMPLAINTS

If you would like to receive more information about the company or wish to make a complaint about the operation of the company, you should contact the compliance officer of the AIFM at—

André Lecoq
MC Square S.A.
23, Val Fleuri
L-1526 Luxembourg

Grand Duchy of Luxembourg

alecoq@mcsquare.lu

https://www.mcsquare.lu/policies/.

Information for Investors in Certain Countries

The information in this section is based on what we understand to be the current law and practice in the countries named. It is general reference information, not legal or tax advice.

The company may engage local representatives or paying agents to handle transactions in shares in certain

countries. In countries where a sub-fund may offer shares, investors can obtain from these representatives at no cost a prospectus, a PRIIPs KID or other local offering document, the articles,and the most recent shareholder report.

United States of America the shares are not and will not be registered either with the US Securities and Exchange Commission (SEC) or any other US entity, federal or otherwise.. The company is not registered under the US Investment Company Act of 1940. Therefore, in principle, the shares are not available to, or for the benefit of, any US person..

COMPANY STRUCTURE AND OPERATIONS

Company Structure

THE COMPANY

Name	NK Fund SICAV - RAIF
Registered office	23, Val Fleuri L-1526 Luxembourg
Legal form	Public limited company (*société anonyme*, or SA), qualifying as an investment company variable capital (*société d'investissement à capital variable*, or SICAV) – reserved alternative investment fund (*fonds d'investissement alternatif réservé*, or RAIF)
Incorporated	27 September 2022
Articles	Published on 7 October 2022 in RESA
RCS	B271648
Duration	Indefinite
Financial year end	31 December
Capital	Net assets of all the sub-funds
Management shares	Minimum one per sub-fund; must be fully paid up; carry no par value, no preferential or pre-emptive rights; full shares carry one vote each
Investor shares	Up to 1 billion; must be fully paid up; carry no par value, no preferential or pre-emptive rights; full shares carry one vote each in limited circumstances
Directors	Mathieu Mercati Head of Investment Solutions Norman K. Asset Management Jean-Philippe Petit Chief Investment Officer Norman K. Asset Management Infinity Management S.A, a Luxembourg public limited company *(société anonyme)* with registered office at 23, Val Fleuri L-1526 Luxembourg, registered with the RCS under number B166307 and represented by André Lecoq

Alternative investment fund. The company is an alternative investment fund. The reserved alternative investment fund law requires it to be managed by an external alternative investment fund manager authorised in accordance with the alternative investment fund managers law.

The company must also comply with other requirements of the alternative investment fund managers law, such as—

- depositary duties
- asset valuation rules
- reporting requirements
- asset striping rules.

These requirements may affect the ability of the company to extract profits from its investments and may cause the company to incur additional operating costs, which may affect the actual returns of the sub-fund you are invested in.

Public limited company. The company operates as a public limited company. It has one or more shareholders and is managed by a board of directors of at least three persons.

The directors determine and oversee the business of the company. They are liable in accordance with Luxembourg law

The shareholders do not manage the business of the company. They are liable only for the amount they invest in the company.

The company issues two types of shares—

- management shares, which can only be subscribed by the investment manager
- investor shares, which can be subscribed by eligible investors in accordance with applicable law, the articles, and this prospectus.

Umbrella fund. The company is an umbrella fund. It comprises one or more sub-funds. Each sub-fund pursues its own investment strategy and has its own assets and liabilities. The assets and liabilities of each sub-fund are segregated from those of other sub-funds; there is no cross-liability between sub-funds.

Share classes. In each sub-fund, the company offers shares in one or more share classes. Each share class has its own terms, which are specified in this prospectus.

Directors. The directors are responsible for the management and administration of the company. They have broad powers to act on its behalf, including—

- appointing and supervising the AIFM and the other service providers on behalf of the company
- setting investment policies and approving the appointment of investment managers and investment advisers
- determining how and when to launch, modify, split, merge, or liquidate sub-funds and share classes, including timing, pricing, fees, valuation days, dividend policy and other conditions of those sub-funds or classes
- determining whether to list a sub-fund's shares on the Luxembourg stock exchange or another market
- determining how and when the company will exercise any of the rights in accordance with this prospectus, the articles or applicable law, and making any associated communications to shareholders

- ensuring that the appointment of the AIFM and the depositary complies with the alternative investment fund managers law and the reserved alternative investment funds law.

The directors have delegated the day-to-day management of the company and its sub-funds to the AIFM, which in turn has delegated some of its duties to the investment manager, the administrator, and other service providers. The AIFM, under the supervision of the directors, remains responsible for the delegated duties and acts.

The directors are responsible for the information in this prospectus and have taken all reasonable care to ensure that it is materially accurate, current, and complete.

Service Providers Engaged by the Company

THE AIFM

Name	MC Square S.A.
Registered office	23, Val Fleuri L-1526 Luxembourg
Website	www.mcsquare.lu
Other contact information	T +352 26 92 34 61
Legal form	Public limited company (*société anonyme*)
Incorporated	7 October 1988
Articles	Last published on 24 November 2016 in RESA
RCS	B 28949
Regulation	*Commission de Surveillance du Secteur Financier* (CSSF) www.cssf.lu
Capital	€ 500,000
Directors	Karl Heinz Dick André Lecoq Ntoudi Mouyelo-Katoula
Conducting officers	Alexandre Hecklen André Lecoq Olivier Meray

The AIFM acts as the company's external alternative investment fund manager and performs, with respect to the company—

- investment management services, including portfolio management and risk management in accordance with the company's investment objective, policy and strategy and investment restrictions
- administration services
- marketing and distribution services
- other services related to the company's assets, including valuation services.

The AIFM may delegate its duties, or a part of them, to third parties as long as it retains control and supervision of the delegate.

The AIFM has appointed—

- the investment manager to manage the sub-funds' assets
- the administrator to provide administrative services such as fund accounting and transfer agent services.

The AIFM can appoint distributors to market and distribute sub-fund shares in any country where the shares are approved for sale.

The AIFM can also appoint other service providers; further details can be obtained from its registered office.

All the service providers typically serve for an indefinite period and the AIFM can replace them periodically.

The AIFM is subject to chapter 2 of the alternative investment fund managers law. It performs its duties in accordance with the alternative investment fund managers law and the investment fund management agreement. It is responsible for the performance of those duties in accordance with Luxembourg law.

To cover potential professional liability risks resulting from activities delegated by the company to the AIFM, the AIFM holds additional own funds appropriate to cover potential liability risks arising from professional negligence related to its duties.

The investment fund management agreement is made for an unlimited duration. It may be terminated by the company or the AIFM with three months' notice or as otherwise specified in the investment fund management agreement.

The company pays the AIFM the charges specified in the investment fund management agreement.

THE INVESTMENT MANAGER

Name	Norman K. Asset Management
Registered office	82, boulevard de Cimiez F-06000 Nice
Website	www.norman-k.com

The investment manager in turn can, with the approval of the AIFM, appoint one or more sub-investment managers, investment advisers or sub-investment advisers. Information about which entities currently have such appointments, and to which sub-funds, appears in Sub-Fund Descriptions.

The investment manager performs its duties in accordance with the investment management agreement. It is responsible for the performance of those duties in accordance with Luxembourg law.

The investment management agreement is made for an unlimited duration. It may be terminated by the company or the investment manager with three months' notice or as otherwise specified in the investment management agreement.

The company pays the investment manager the charges specified in the investment management agreement.

THE DEPOSITARY AND PAYING AGENT

Name	Quintet Private Bank (Europe) S.A.
Registered office	43, Boulevard Royal L-2449 Luxembourg
Website	www.quintet.lu
Other contact information	T +352 47 97 35 00 E sébastien.evrard@quintet.com

The depositary—

- maintains custody of the cash, securities and all other assets held in custody, and performs operations concerning the day-to-day administration of those assets
- verifies the ownership, and maintains an up-to-date record, of all assets held by the company
- oversees all assets of the company that are not held in its custody
- carries out the orders on behalf of the company, and ensures that any sub-custodians or other delegates carry out these orders unless they conflict with Luxembourg law or the articles
- checks that sub-fund activities are carried out in accordance with the company's instructions, Luxembourg law, and the articles; these activities include the calculation of NAV, the processing of dealing orders and the receipt and allocation of income and revenues to each sub-fund and share class, among others
- acts as paying agent of the company under the terms of a paying agency agreement made with the company.

The depositary must act independently from the company and the AIFM, solely in the interest of the company (and its shareholders), and in compliance with the AIFM Regulation.

The depositary can, with the company's consent, deposit sub-fund assets with third party banks, financial institutions, or clearing houses, and with sub-custodians, but this will not affect its liability.

The depositary exercises all due skill, care, and diligence to ensure that any delegate can provide an adequate standard of protection.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement, the depositary can delegate to a local entity, provided that the investors have been duly informed and that appropriate instructions to delegate to the relevant local entity have been given by or for the company.

The depositary must use reasonable care in exercising its duties and is liable to the company and shareholders for any loss of a financial instrument held in custody, whether held directly or by any of its delegates or sub-custodians. The depositary shall, however, not be liable if it can prove that the loss has arisen because of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The depositary is also liable for any losses resulting from negligent or intentional failure to properly perform its duties, including all duties under alternative investment fund managers rules.

Full updated details regarding the description of the depositary's duties as well as information regarding safekeeping functions delegated by the depositary and the up-to-date list of delegates are available on request from the AIFM. For a current list of sub-custodians used by the depositary, go to www.quintet.lu.

The depositary agreement is made for an unlimited duration. It may be terminated by the company, the AIFM or the depositary with ninety (90) calendar days' notice or as otherwise specified in the depositary agreement.

The paying agency agreement is made for an unlimited duration. It may be terminated by the company or the paying agent with ninety (90) calendar days' notice or as otherwise specified in the paying agency agreement.

The company pays the depositary the charges specified in the depositary agreement and the paying ageny agreement.

THE ADMINISTRATOR

Name	European Fund Administation S.A.
Registered office	2, Rue d'Alsace L-1122 Luxembourg
Website	www.efa.eu
Other contact information	T +352 48 48 80 9002 F +352 48 65 61 8002

The administrator—

- maintains the share register
- opens and closes investor accounts
- processes deals in shares
- provides documentation for these transactions to investors.

The administrator also handles the administrative work required by law and the articles. This includes—

- calculating the NAV in accordance with this prospectus and the articles
- publishing the net asset value and share prices.

The administrator is responsible for the performance of those duties in accordance with Luxembourg law and the administration agreement.

The administration agreement is made for an unlimited duration. It may be terminated by the AIFM, the company or the administrator with ninety (90) calendar days' notice or as otherwise specified in the administration agreement.

The company pays the administrator the charges specified in the administration agreement.

THE DOMICILIARY AGENT

Name	MC² Corporate Services S.àr.l.
Registered office	23, Val Fleuri L-1526 Luxembourg
Website	www.mcsquare.lu

Other contact information	T +352 26 92 70 34 65

The domiciliary agent—

- provides a registered office to the company
- keeps the books and records of the company
- prepares the shareholder reports and notices, tax returns and other reports
- receives and keeps all correspondence and notices received for the account of the company
- provides and supervises services for the preparation and dispatch of statements, reports, notices and other documents to the directors and shareholders of the company,
- convenes and supervises the holding of the company's annual general meeting of shareholders.

The domiciliary agent is responsible for the performance of those duties in accordance with Luxembourg law and the domiciliation agreement.

The domiciliation agreement is made for an unlimited duration. It may be terminated by the company or the domiciliary agent ninety (90) calendar dray notice or as otherwise specified in the domiciliation agreement.

The company pays the domiciliary agent the charges specified in the domiciliation agreement.

THE LEGAL ADVISER

Name	Deynecourt, *société à responsabilité limitée inscrite au barreau de Luxembourg*
Registered office	5, Rue du Fort Rheinsheim L-2419 Luxembourg
Website	www.deynecourt.com
Other contact information	E contact@deynecourt.com

The legal adviser provides independent legal advice on business, regulatory, tax, and other matters related to the company.

THE DISTRIBUTORS

The AIFM may appoint agents that market, sell, or distribute shares in various countries. A distributor may in turn, under certain conditions, appoint one or more sub-distributors. In some countries, use of an agent is mandatory, and the agent may not merely facilitate dealing in shares but may also act as a nominee. The nominee then will hold your shares in its name for and on your behalf, which may affect your rights as an investor. You may claim direct title to the shares and give the nominee with specific or general voting instructions at general meetings.

Service Providers Engaged by the Investment Manager

THE SUB-INVESTMENT MANAGER

Name	Nemesis Asset Management LLP, (trading as Norman K)
Registered office	42 Brook Street London W1K 5DB

The sub-investment manager is responsible for the day-to-day portfolio management of one Sub-Fund, i.e. PATRIMOINE GENERATION ALPHA (see Sub-fund Description).

The sub-investment manager performs its duties in accordance with the sub-investment management agreement. It is responsible for the performance of those duties in accordance with Luxembourg law.

The sub-investment management agreement is made for an unlimited duration. It may be terminated by the company, the investment manager or the sub-investment manager with three months' notice or as otherwise specified in the investment management agreement.

As of the date of this prospectus, no fees are paied to the sub-investment manager for its services under the sub-investment management agreement.

Service Providers Engaged by the Shareholders

THE AUDITOR

Name	KPMG Luxembourg S.A.
Registered office	39, Avenue J.F. Kennedy L-1855 Luxembourg
Website	www.kpmg.lu
Other contact information	T +352 22 51 511 F +352 22 51 71

The shareholders appoint the auditor, usually at the annual general meeting. The auditor independently reviews the financial statements of the company and all sub-funds and the operations of the company and the sub-funds once a year.

Company Policies

Conflicts of interest. An investment in the company or a sub-fund is subject to actual or potential conflicts of interest.

The AIFM maintains policies and procedures designed to prevent, limit, or mitigate conflicts of interest. These policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited or prohibited by law unless an exception is available. The directors and the AIFM report to the shareholders any material conflicts of interest that cannot be managed.

The directors and the AIFM provide a variety of different services to the company, for which the company may compensate them. As a result, the directors and the AIFM have an incentive to make arrangements with the company and face conflicts of interest when balancing that incentive against the interest of the company. The AIFM, together with persons to which it delegates responsibility for portfolio management, also face conflicts of interest in their service as investment manager to other funds or clients, and, on occasion, make investment decisions that differ from or affect negatively those made by the investment manager on behalf of the company.

The depositary may not conduct activities for the company that may create conflicts of interest between the company (or its shareholders) and the depositary itself, unless it has properly identified these potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored, and disclosed to shareholders.

Other service providers, such as the administrator, could have potential conflicts of interest with the company or the AIFM. In those cases, the AIFM seeks to identify, manage and, where necessary, prohibit any action or transaction that could pose a conflict between the interests of, for example, the AIFM and shareholders, or the company and other clients. The AIFM strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing.

For more information about conflicts of interest, see https://www.mcsquare.lu/policies/.

Remuneration policy. The AIFM has a remuneration policy that is designed to—

- contribute to the achievement of short-term and long-term strategic and operational objectives at the same time avoiding excessive risk-taking inconsistent with the risk management strategy
- provide a balanced total remuneration package made up of a mix of fixed and variable components including base salary, cash incentives and long-term, equity-based or fund-tracking incentives that vest over time
- promote proper governance and regulatory compliance.

Key elements of the policy are intended to—

- tie remuneration of employees to long-term performance and align it with the interest of shareholders
- encourage a shared success culture amongst employees
- attract and retain talented individuals
- integrate risk management and remuneration
- have no remuneration perquisites or non-performance-based remuneration
- maintain strong governance around remunerations practices
- avoid conflicts of interest.

The policy applies to identified staff, including employees whose professional activities materially affect the risk profile of the AIFM or the company, includes a description of how remuneration and benefits are calculated, and sets out the responsibilities for awarding remuneration and benefits, including the composition of the committee that oversees and controls the policy. A summary of the policy is available at https://www.mcsquare.lu/policies/or free of charge from the AIFM.

GLOSSARY

Defined Terms

The terms we use in this prospectus are defined as follows—

administration agreement the administration agreement made between the company, the AIFM, and the administrator.

administrator the entity that serves as administrative agent, and registrar and transfer agent of the company.

affiliate in relation to a person, any person directly or indirectly exercising control over, under the control of, or under common control with that other person.

AIFMD Directive 2011/61/EU of the European Parliament and the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.

AIFM Regulation the Commission-delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency, and supervision.

alternative investment fund an alternative investment fund under the alternative investment fund managers law.

alternative investment fund manager an alternative investment fund manager under the alternative investment fund managers law.

alternative investment fund managers law the Luxembourg law of 12 July 2013 on alternative investment funds managers.

application documents the documents specifying the terms under which an investor buys, sells, exchanges or transfers shares.

articles the articles of association of the company.

auditor the independent auditor (*réviseur d'entreprises agréé*) appointed at a general meeting.

base currency in relation to a sub-fund, the currency in which the company calculates the net asset value of that sub-fund.

benchmark an index or rate, or a combination of indices or of rates, specified as being a point of reference for a sub-fund.

Benchmarks Regulation Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014).

BRRD Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

business day a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays).

Caisse de Consignation the Luxembourg government agency responsible for safekeeping unclaimed assets.

class a class of shares of the company (*catégorie d'actions*) under the companies law.

class currency the currency in which a class is denominated, which may or may not be the same as the base currency of the sub-fund.

collective investment undertaking an investment fund.

collective investment undertakings law the Luxembourg law of 17 December 2010 on collective investment undertakings.

companies law the Luxembourg law of 10 August 1915 on commercial companies.

company NK Fund SICAV - RAIF.

control in respect of a person, the ability, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise (including by being an officer or director of the person in question), to exercise decision-making authority over the major management and policy decisions of that person (which may be subject to the approval rights of other persons with respect to certain major decisions regarding that person).

CSSF the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector.

data controller a data controller as defined by the data protection law.

data processor a data processor as defined by the data protection law.

data protection law the Luxembourg law of 1 August 2018 establishing the National Commission for Data Protection and implementing Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

depositary the entity with overall responsibility for the safekeeping and oversight of the assets of the company.

depositary agreement the agreement made between the company, the AIFM and the depositary.

director a member of the board of directors of the company.

distributor any person or entity appointed by the AIFM to distribute or arrange for the marketing and distribution of shares.

domiciliary agent the entity that serves as domiciliary agent to the company.

eligible investor a person that in accordance with article 2 of the reserved alternative investment fund law is either—

- an institutional investor
- a professional investor
- an experienced investor
- a person to which the conditions of article 2 of the reserved alternative investment fund law do not apply.

eligible state any EU Member State, any member state of the OECD, and any other state which the directors think fit considering the investment objectives of each sub-fund.

Eligible states in this category include countries in Africa, the Americas, Asia, Australasia, and Europe.

EMIR Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties, and trade repositories.

ESMA the European Securities and Markets Authority, an independent EU authority that contributes to safeguarding the stability of the EU's financial system by ensuring the integrity, transparency, efficiency, and orderly functioning of securities markets, as well as enhancing investor protection.

EU member state a member state of the European Union.

experienced investor a person that, in addition to confirming their compliance to the status of experienced investor in accordance with the reserved alternative investment fund law, either—

- invests at least € 125,000 (or equivalent) in the company or
- receives an assessment confirming that they are an experienced investor.

financial year the company's fiscal year.

forward pricing a price calculated at the valuation point following the sub-fund's deal cut-off time by which all dealing requests in shares must be received.

sub-fund a separate portfolio of assets of the company established for one or more classes which is invested in accordance with a specific investment objective and policy, the specifications of which are described in the Sub-Fund Descriptions.

general meeting any regularly constituted meeting of shareholders of the company, a sub-fund, or a share class.

government body—

- the government of any country or of any political subdivision of any country
- any instrumentality of any such government
- any other individual, entity, or organisation authorised by law to perform any executive, legislative, judicial, regulatory, administrative, military, or police functions of any such government
- any intergovernmental organisation.

institutional investor an institutional investor under article 174 of the collective investment funds law; this includes—

- banks and other professionals of the financial sector, insurance and reinsurance companies, social security institutions and pension funds, industrial, commercial, and financial group companies, all subscribing on their own behalf, and the structures which those investors put into place to manage their own assets
- credit institutions and other professionals of the financial sector investing in their own name but on behalf of the above investors
- credit institutions or other professionals of the financial sector which invest in their own name but on behalf of their clients based on a discretionary management mandate
- collective investment undertakings and their managers
- holding companies or similar entities whose investors are institutional investors themselves
- holding companies or similar entities which because of their structure, activity, and substance are institutional investors in their own right
- governments bodies.

investment fund manager the entity with overall responsibility for management and administration of the company and the marketing of its shares.

investor share a share with limited voting rights that any eligible investor may hold, with the designations, rights and obligations specified in the articles and this prospectus.

large company a company under item (2) of section I of Annex II of MiFID.

investment fund management agreement the alternative investment fund manager services agreement made between the company and the AIFM.

investor a shareholder or a person who applies to become a shareholder.

management share a voting share that only the investment manager or the investment adviser may hold, with the designations, rights and obligations specified in the articles and this prospectus.

MiFID II Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

minimum holding amount the amount specified in the Sub-Fund Descriptions as the minimum value or number of shares which must be held at any time by a shareholder.

minimum investment amount the amount specified in the Sub-Fund Descriptions as the minimum amount which an investor must pay when subscribing for shares if that investor does not hold shares of that share class.

minimum additional investment amount the amount specified in the Sub-Fund Descriptions as the minimum subscription monies which a shareholder must pay when subscribing for additional shares.

net asset value (NAV) the net asset value of the company, a sub-fund, a share class, or a share.

OECD the Organisation for Economic Co-operation and Development, an intergovernmental economic organisation with 35 member countries.

person an individual, an entity, or a government body.

personal data any personal data (as defined in Data protection law) provided in connection with an investment into the company and which include personal data of a shareholder or a potential investor or that of their representatives, or legal or beneficial owners.

investment manager an entity that performs the investment management duties for a sub-fund.

PRIIP a packaged retail and insurance-based investment product under the PRIIPs Regulation.

PRIIPS KID a key information document for PRIIPs, a three-page, legally required precontractual document describing in brief the objectives, policies, risks, costs, past performance, and other relevant information for a share class in a sub-fund.

PRIIPS Regulation Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.

prime broker a credit institution, regulated investment firm or other entity subject to prudential regulation and ongoing supervision with whom the company has a prime brokerage agreement; a prime broker serves as a counterparty to transactions in portfolio investments and may help with the financing, execution, clearing and settlement of trades, as well as providing custodial services, securities lending, customised technical services and operational support.

privacy policy the privacy policy issued by the AIFM on behalf of the company which is available at https://www.mcsquare.lu/policies/ .

professional investor a person who qualifies as a professional client or may on request be treated as a professional client in accordance with Annex III of the Luxembourg law of 5 April 1993 on credit institutions and other professionals of the financial sector.

prospectus this document.

RCS the *Registre de Commerce et des Sociétés*, Luxembourg's central electronic platform for company and business details.

redemption fee the fee which the company may charge on a redemption of shares.

redemption order a written request of a shareholder to redeem all or part of their holding of shares.

regulated market a market that meets the requirements stated in Title III of MiFID II as well as any other market in an eligible state which is regulated, operates regularly, and is recognised and open to the public.

representative with respect to a person, any of that person's directors, officers, employees, delegates, agents, consultants, advisers, and other representatives where applicable.

RESA the *Recueil Electronique des Sociétés et Associations*, Luxembourg's central electronic platform for official publications.

reserved alternative investment fund a reserved alternative investment fund (*fonds d'investissement alternatif réservé*) under the reserved alternative investment funds law.

reserved alternative investment funds law the Luxembourg law of 23 July 2016 on reserved alternative investment funds.

reserved alternative investment funds rules any CSSF circular or other government body regulation that applies to a reserved alternative investment fund, including CSSF circular 07/309 on the risk spreading requirements with respect to specialised investment funds, which also applies to reserved alternative investment funds.

restricted person a person—

- who is not an eligible investor
- who is a US person, unless approved by the directors and the AIFM
- who is in breach of law or a legal process
- who is in breach of their obligations under this prospectus or the articles
- whose holding might—
    - cause the company, any sub-fund, any investment, or any shareholder to be liable for anything which the company, that fund, that investment or that partnershareholder might not otherwise have been liable for
    - otherwise negatively affect the company, any sub-fund, any investment of the company, or any shareholder.

risk management policy the risk management policy established by the AIFM specifying the risk management systems that are implemented by the AIFM to identify, measure, manage and monitor appropriately all risks relevant to the company, and the sub-funds (including their shareholders).

service provider the AIFM, the investment manager, the investment adviser, the depositary, the administrator, the sub-investment manager or any other person who provides services to the company.

SFDR 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

SFTR Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012.

share a share issued by the company; may refer to a management share or an investor share issued in a class (or both); includes the financial, political, information, or other rights of shareholders under this prospectus, the articles, or the law on commercial companies.

share class a class of shares of the company (*catégorie d'actions*) under the companies law.

share class currency the currency in which a given share class is denominated, which may or may not be the same as the base currency of the sub-fund.

shareholder a registered holder of management shares or investor shares.

shareholder report the report on the activities and finances of the company that is published annually.

SICAV a *société d'investissement à capital variable* (investment company with variable capital).

subscription agreement the subscription agreement specifying the terms under which a person intends to invest or invests in the company.

subscription fee the fee which may be levied or paid upon subscription of shares in a sub-fund.

switch order a written request of an investor to convert all or part of their holding of shares.

switch charge the fee which may be levied or paid upon conversion of shares.

taxonomy regulation Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending SFDR.

US the United States of America, including its territories and possessions.

US person a person that is a US person for purposes of Regulation S under the Securities Act and CFTC Rule 4.7 or a US resident within the meaning of the Investment

Company Act, which includes any natural person who is a resident of the United States, any partnership or corporation organised or incorporated under the laws of the United States, any estate of which any executor or administrator is a US person and the income of such estate is subject to United States income tax regardless of source, any trust of which any trustee is a US person and the income of such trust is subject to United States income tax regardless of source and any other US person that is a US person or US resident for purposes of Regulation S under the Securities Act, the Investment Company Act and CFTC Rule 4.7.

valuation day any day as of which the share price is calculated.

General Investment Terms

The definitions below are primarily for your information. They may help you find a general description of common securities, techniques, and other terms.

absolute return refers to a performance that is positive in terms of an increase in NAV, as opposed to performance relative to a benchmark or other measure.

aggressively managed managed with higher turnover and risk than an applicable benchmark.

alpha the risk-adjusted performance of an investment.

asset-backed security (ABS) A debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of debt assets, such as credit card debt, car loans, mortgages, student loans, equipment lease, collateralised repo loans and EETCs (Enhanced Equipment Trust Certificates).

average life a measure of how long it takes, on average, for the assets underlying an asset-backed security to repay their principal.

behavioural finance An investment process that is based on systematic investments in equities with specific style characteristics, such as value, quality and momentum in price and earnings trends. Historical research has demonstrated that such securities can outperform over a market cycle as they exploit psychological factors (the behavioural and cognitive biases of investors) in stock markets. For example, investor overconfidence, the expectation that a security's earnings will continue to grow in perpetuity, or loss aversion, the reluctance of an investor to sell a security that is decreasing in price.

banking contingent convertible security a type of security issued by a financial institution that typically functions as a bond so long as certain pre-determined conditions are not triggered. These triggers can take several forms, including the underlying equities of the financial institution reaching a specified level, the financial institution's requirement to meet regulatory capital requirements—such as common equity tier 1 (CET1), or the demand of a supervisory authority.

below investment grade debt securities from less creditworthy issuers. These securities are rated Ba1/BB+ or lower using the highest rating available from one of the independent rating agencies, e.g., Standard & Poor's, Moody's or Fitch. Also known as 'high yield' securities, because they typically offer higher income in exchange for their higher level of default risk compared to investment grade debt securities.

beta a measure of the risk of a security in comparison to the market.

bond a loan, usually to a company or government body, that is incorporated in a security and that pays interest.

cash equivalent a security that can be readily converted into cash, such as a treasury bill or other short-term government bond, a bank certificate of deposit or a money market instrument or fund.

catastrophe bond a type of debt security where the return of principal and payment of interest is dependent on the non-occurrence of a specific trigger event such as a hurricane, earthquake or other physical or weather-related phenomenon.

collateral assets assets provided by a borrower as security to the lender in case the borrower fails to meet its obligations.

collateralised loan obligation (CLO) a debt security whose payments derive from a pool of loans from middle and large sized businesses, and which is divided into tranches with different levels of exposure to any loans that become non- performing.

collateralised mortgage obligation (CMO) a mortgage-backed security that is divided into tranches with different levels of exposure to any loans that become non-performing.

collective investment undertaking an investment fund.

commodities physical goods that fall into one of two categories: hard commodities such as metals (for example, gold, copper, lead, uranium), diamonds, oil, and gas; and soft commodities such as agricultural products, wool, cotton, and foodstuffs (for example, cocoa, sugar, coffee).

common equity tier 1 (CET1) a component of Tier 1 capital that applies in the context of the European banking system; it is a capital measure better captured by the CET1 ratio, which measures a bank's capital against its assets to protect the economy from a financial crisis.

common reporting standard (CRS) the standard for the annual automatic exchange of financial account information, which has been implemented in Luxembourg by the law of 18 December 2015 on the automatic exchange of tax information of financial accounts implementing the common reporting standard.

contingent convertible security a type of security that typically functions as a bond so long as certain pre-determined conditions are not triggered. These triggers may include measures of the issuer's financial health remain above a certain level or the share price falling below a specified level.

contracts for difference (CFD) an arrangement made in a futures contract whereby differences in settlement are made through cash payments, rather than by the delivery of physical goods or securities; CFDs provide investors with all the benefits and risks of owning a security without owning it.

convertible security a type of security that generally has characteristics similar to both debt and equity securities; these securities can, or must be, exchanged for a set number of shares (usually of the issuing company) once a predetermined price or date is reached; includes convertible bonds, preferred shares, exchangeable bonds, and SPACs.

correlation a statistical measure of how closely the values of two assets or markets move in relation to each other.

counterparty a financial institution providing services or acting as a party to derivatives or other instruments or transactions.

credit default swap (CDS) a derivative that functions like default insurance, in that it transfers the default risk of a bond to a third party, in exchange for premium payments. If the bond does not default, the seller of the CDS profits from the premiums. If the bond defaults, the seller of the CDS is obliged to pay the buyer some or all the defaulted amount, which would likely be more than the value of the premiums received.

credit strategy an investment strategy that seeks to benefit from investing in credit-related strategies. This could be on a relative value or directional (i.e. buying securities considered undervalued and selling short securities considered overvalued) approach in credit-oriented instruments.

currency derivative a derivative whose reference asset is a currency value or exchange rate.

currency overlay active currency management with the aim of generating additional returns.

deal risk premium the difference between the current market price of a company's shares and the price offered by a potential acquiring company, which is usually higher to compensate for the risk that the deal may not go through.

depositary receipt a certificate that represents securities held on deposit by financial institutions, such as American Depositary Receipts (ADRs), European Depositary Receipts (EDRs), Global Depositary Receipts (GDRs) and Participation Notes (P-Notes).

derivative an instrument or private contract whose value is based on the value and characteristics of one or more reference assets, such as a security, an index, or an interest rate; a small movement in the value of the reference asset can cause a large movement in the value of the derivative.

diversified in connection with a sub-fund, investing in a wide variety of companies or securities.

duration a measure of the sensitivity of a debt security or a portfolio to changes in interest rates. An investment with a duration of 1 year can be expected to decline 1 per cent in value with every 1 per cent rise in interest rates.

emerging markets countries with less established financial markets and investor protections. Examples include most countries in Asia, Latin America, Eastern Europe, the Middle East, and Africa. The list of emerging and less developed markets is subject to continuous change. Broadly, they include any country or region other than the United States of America, Canada, Japan, Australia, New Zealand, and Western Europe. Specifically, emerging and developing countries are those that have an emerging stock market in a developing economy as defined by the International Finance Corporation, have low- or middle-income economies according to the World Bank, or are listed in World Bank publications as developing.

environmental, social and governance (ESG) non-financial considerations affecting an issuer such as carbon emissions and environmental regulations, accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies.

equity-related security a security that provides indirect ownership of, or results in the acquisition of, an equity; includes warrants, depositary receipts, convertible securities, index and participation notes and equity-linked notes.

equity swap a form of derivative, generally one in which the parties exchange a fixed or floating interest rate return for the return on an equity security or index.

Eurobond a bond issued in a currency other than the currency of the country or market in which it is issued.

event driven strategy A strategy of investing in securities that appear to have the potential to benefit from a possible merger, corporate restructuring or bankruptcy.

exchange-traded commodity an investment that tracks the performance of either individual commodities or commodity indices and which is traded on a stock exchange.

exchange-traded fund (ETF) an investment that represents a pool of securities—typically one that tracks the performance of an index—and which is traded on a stock exchange.

Foreign Account Tax Compliance Act (FATCA) a US law which requires that foreign financial institutions and certain other non-financial foreign entities report on the foreign assets held by their US account holders or be subject to withholding on withholdable payments and which has been implemented in Luxembourg by the law of 24 July 2015 on FATCA.

government bond a bond issued or guaranteed by a government body; this would include any bank, financial institution, or corporate entity whose capital is guaranteed to maturity by a government body.

growth an investment approach that focuses on equity securities whose fundamentals (such as sales, earnings, or assets) are expected to grow at an above-average rate relative to the market.

haircut the discount applied to collateral value as a way of limiting exposure to market and liquidity risk.

high-water mark mechanism a performance fee may only be accrued where the NAV per share is higher than the greater of the NAV per share at launch of the share class, and the NAV per share at which the last performance fee was paid.

investment grade bonds that are considered by a credit rating agency as appearing generally capable of meeting their payment obligations. Bonds rated BBB-/Baa3 or higher using the highest rating available from one of the independent ratings agencies e.g., Standard & Poor's, Moody's or Fitch are considered investment grade.

leverage any method by which the exposure of the company or a sub-fund is increased through borrowing of cash or securities, or leverage embedded in derivative position or by any other means.

Initial offering price, subscription price and **redemption price** shares in each class are issued at their initial offering price during the initial offering period, or at their subscription price determined on the applicable valuation day; shareholders may request redemption of their shares at the redemption price of the class they hold determined on the applicable valuation day (see Calculation of Subscription and Redemption Price).

liquid assets cash or cash equivalents, including investments in shares or units of money market funds, time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, treasury bills and bonds issued by a government body in OECD countries or by a supranational government body, as well as bonds admitted to official listing or dealt on a regulated market, issued by first-class issuers and highly liquid.

liquidity the extent to which an asset can be bought or sold in the market without significantly affecting the asset's price or the time required to find a buyer or a seller.

long exposure, long position a market position that increases in value when the value of the assets in question increases in value.

long/short equity strategy a strategy that involves taking long exposure to securities that are expected to increase in value and short exposure to equity securities that are expected to decrease in value or are otherwise not viewed as attractive.

maturity the amount of time remaining before a bond is due to be repaid.

mid-cap, mid-capitalisation companies whose market capitalisation is typically within the market capitalisation of companies in the Russell Midcap Index at the time of purchase.

money market fund a collective investment undertaking whose policy is to invest in money market instruments.

money market instrument a financial instrument that is liquid and has a value that can be accurately determined at any time, and that meets certain credit quality and maturity requirements.

mortgage-backed security (MBS) a debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of mortgages. The underlying mortgages may include, but are not limited to, commercial and residential mortgages, and the mortgage-backed securities may be agency (created by quasi US government agencies) and non-agency (created by private institutions).

NAV hedge a hedging method whereby the base currency of the sub-fund is systematically hedged to the share class currency of the currency hedged share class.

net exposure a sub-fund's long positions minus its short positions, often expressed as a percentage of total net assets.

opportunistic/global macro strategy a strategy that bases its investment decisions mainly on economic and political factors worldwide (macroeconomic principles).

portfolio hedge a hedging method whereby the currency exposures of the sub-fund's portfolio holdings attributable to the currency hedged share class are systematically hedged back to the share class currency of the currency hedged share class unless for specific currencies it is impractical or not cost effective to apply the hedging.

portfolio hedge strategy a strategy that aims to benefit from offsetting risks inherent in other parts of the portfolio.

quantitative screening selection based on a mathematical analysis of the measurable figures of a company, such as the value of assets or projected sales; this type of analysis does not include a subjective assessment of the quality of management.

rating agency an independent organisation that rates the creditworthiness of debt security issuers, such as Standard & Poor's, Moody's, and Fitch.

real estate investment trust (REITs) An investment vehicle that represents ownership in real estate (whether residential, commercial or industrial) or in an enterprise involved in real estate-related activities, such as the development, marketing, management or financing of real estate.

relative value strategy an investment strategy that aims to benefit from price differences of one security compared to another related security or the market overall.

reverse convertible bond (RCB) a bond that can be converted to cash, debt, or equity at the discretion of the issuer at a set date.

reverse repurchase transactions the purchase of securities and the simultaneous commitment to sell the securities back at an agreed price on an agreed date.

risk-free rate of return generally understood as meaning the expected return from an investment that is perceived to be risk-free, such as US Treasury bills.

risk premia are exposures to groups of financial securities which have a common risk characteristic, exposure for which investors expect to be compensated over time above the risk-free rate of return; these sources of return may be genuine risk preferences, behavioural biases, or market structure; risk premia may be exploited with respect to specific stocks or more general asset classes such as equity indices or currencies.

securities lending a transaction by which a lender transfers securities subject to a commitment that a borrower will return equivalent securities on a stated future date or on request by the lender.

security a negotiable instrument representing financial value; includes equities, bonds, and money market instruments, as well as futures, options, warrants and other negotiable securities which carry the right to acquire other transferable securities by subscription or exchange.

senior debt security a debt security that takes priority over other debt securities sold by the issuer, regarding claims on assets or earnings if the issuer fails to meet its payment obligations.

short exposure, short position a market position that increases in value when the value of the assets in question decreases in value.

structured product an investment based on a basket of underlying securities such as equity and debt securities and derivatives, where the return is linked to the performance of the underlying securities or index.

subordinated debt security a debt security that ranks below other debt securities of the issuer as to claims on assets or earnings should the issuer fail to meet its payment obligations.

TBAs (to-be-announced securities) A forward contract on a generic pool of mortgages. The specific mortgage pools are announced and allocated after the security has been purchased but before the delivery date.

time deposit a deposit held in a financial institution, usually a bank, for a certain period.

total return swap (TRS) a derivative in which one counterparty transfers the total economic performance (including income from interest and fees, gains and losses from price movements, and credit losses) of a reference obligation to another counterparty. See derivative.

value a strategy of investing mainly in equities that are trading at a discount with respect to their fundamentals (such as turnover, earnings and assets) and are therefore considered to be undervalued.

weighted average duration the average duration of all the securities in a portfolio, calculated by weighting the duration of individual securities by their size relative to the portfolio as a whole. See duration.

weighted average market capitalisation the average market value of all the securities in a portfolio, calculated

volatility the statistical measure of the variation of price for a given security or fund; commonly, the higher the volatility, the riskier the security or fund.

warrant an investment that gives the owner the right, but not the obligation, to buy securities such as shares at an agreed price by a future date.

by weighting the market capitalisation of individual securities by their size relative to the portfolio as a whole.

weighted average maturity the average time to maturity of all the securities in a portfolio, calculated by weighting the maturity of individual securities by their size relative to the portfolio as a whole.

NEXT STEPS

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This prospectus has been prepared by

deynecourt

for

NORMAN K.
YOUR NEO-INVESTMENT PARTNER

NOT SUBJECT TO SUPERVISION BY ANY SUPERVISORY AUTHORITY IN LUXEMBOURG OR ELSEWHERE.

MAY ONLY BE MARKETED TO—

- **ELIGIBLE INVESTORS IN LUXEMBOURG**
- **PROFESSIONAL INVESTORS IN EUROPEAN ECONOMIC AREA COUNTRIES IN WHICH THE AIFM HAS OBTAINED A PASSPORT TO MARKET THE SHARES**

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