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## NOTICE TO SHAREHOLDERS OF TAILORED FUND

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Luxembourg, 29 August 2023

Dear Shareholder,

The board of directors (the “**Board**”) of the fund Tailored Fund (the “**Fund**”) wants to amend the prospectus of the Fund (the “**Prospectus**”) concerning information of the performance fee foreseen for the sub-fund Global Asset Allocation -25/125.

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### 1 AMENDMENTS TO PART I OF THE PROSPECTUS

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#### 1.1 UPDATE OF THE COMPOSITION OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Information available under the page 17 of the Prospectus has been updated to add two new members of the Board of the Management Company:

- Mr. Pierre MALEVEZ
- Mr. Eric NOLEN

#### 1.2 INFORMATION RELATING TO THE DISTRIBUTORS

Information relating to the Distributors of the Fund has been updated in order to remove the following references:

Banque de Patrimoines Privés  
30, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg  
[www.banquedepatrimoinesprives.com](http://www.banquedepatrimoinesprives.com)

Banco Inversis, S.A.  
Avenida de la hispanidad, 6  
28042 Madrid, Spain

#### 1.3 INFORMATION IN RELATION TO THE PAYMENT OF THE CRYSTALLISING PERFORMANCE FEES.

The current version of the Prospectus (page 70) foresees that:

“In the event that a Shareholder redeems prior to the end of the Performance Period, crystallising unpaid Performance Fees on those Shares at the time of their redemption shall be paid out annually in arrears.”



The new wording will be:

“In the event that a Shareholder redeems prior to the end of the Performance Period, crystallising unpaid Performance Fees on those Shares at the time of their redemption shall be paid out monthly in arrears.”

#### **1.4 INFORMATION RELATING TO THE PERFORMANCE REFERENCE PERIOD**

The current wording of the Prospectus (p70) foresees that:

“The Performance Reference Period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class.”

In practical a five year performance reference period has been applied for all sub-funds that applied a performance fee since July 2022. The prospectus will be amended accordingly.

The new wording will be:

“The Performance Reference Period, which is the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset, corresponds to a period of 5 years.

The Performance Reference Period must always be considered on a rolling basis.”

#### **1.5 INFORMATION RELATING TO THE DEFINITION OF THE HIGH-WATER MARK (HWM)**

The current wording of the Prospectus (p71) foresees that:

“The High-Water Mark (HWM) is defined as the greater of the following two figures:

- (i) The last Net Asset Value per share on which a performance fee has been calculated at the end of a calculation period and;
- (ii) The initial Net Asset Value per share. “

The new wording will be:

“The High-Water Mark (HWM) is defined as the greater of the following two figures:

- (i) The Highest Net Asset Value per share on which a performance fee has been calculated within a five years period and;
- (ii) The initial Net Asset Value per share.”

This High-Water Mark is applied since July 2022, to all sub-funds applying a performance fee.

## **2 AMENDMENTS TO PART II IN RELATION TO THE SUB-FUNDS**

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### **2.1 INFORMATION RELATING TO THE RELEVANT CUT-OFFS FOR ALL SUB-FUNDS**

The following amendments will be inserted in the Part II of the Prospectus, for all the sub-fund:

	<b>Current Wording</b>	<b>New Wording</b>
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<b>Global Absolute Return</b>		
<u>Cut-Off Time for receipt of order</u>	The Luxembourg Business Day before the Valuation Day at 5:00 p.m. (CET)	The Luxembourg Business Day before the Valuation Day at 2:00 p.m. (CET)
<u>Cut-Off Time for payment of subscriptions</u>	Two (2) Luxembourg Business Days following the applicable Publication Day.	Two (2) Luxembourg Business Days following the applicable Valuation Day.
<u>Cut-Off Time for payment of redemptions</u>	Three (3) Luxembourg Business Days following the applicable Publication Day	Two (2) Luxembourg Business Days following the applicable Valuation Day
<b>Global Trend Investments</b>		
<u>Cut-Off Time for receipt of order</u>	The Luxembourg Business Day preceding the Valuation Day at 4:00 p.m. (CET)	The Luxembourg Business Day preceding the Valuation Day at 2:00 p.m. (CET)
<u>Cut-Off Time for payment of subscriptions</u>	Two (2) Luxembourg Business Days following the applicable Publication Day.	Two (2) Luxembourg Business Days following the applicable Valuation Day.
<u>Cut-Off Time for payment of redemptions</u>	Three (3) Luxembourg Business Days following the applicable Publication Day	Two (2) Luxembourg Business Days following the applicable Valuation Day
<b>Red Lion Patrimoine</b>		
<u>Cut-Off Time for receipt of order</u>	The Luxembourg Business Day preceding the Valuation Day at 4:00 p.m. (CET)	The Luxembourg Business Day preceding the Valuation Day at 2:00 p.m. (CET)
<u>Cut-Off Time for payment of subscriptions</u>	Two (2) Luxembourg Business Days following the applicable Publication Day.	Two (2) Luxembourg Business Days following the applicable Valuation Day.
<u>Cut-Off Time for payment of redemptions</u>	Three (3) Luxembourg Business Days following the applicable Publication Day	Two (2) Luxembourg Business Days following the applicable Valuation Day
<b>Global Absolute Allocation -25/+125</b>		
<u>Investment objective and policy</u>	<p>For that purpose, the Sub-Fund may invest its net assets, directly or indirectly (through UCITS or other UCIs), in (without any geographical restriction):</p> <ul style="list-style-type: none"> <li>equities, equity-linked securities, depository receipts, warrants, participation rights and participation notes;</li> </ul>	<p>For that purpose, the Sub-Fund may invest its net assets, directly or indirectly (through UCITS or other UCIs), in (without any geographical restriction):</p> <ul style="list-style-type: none"> <li>equities, equity-linked securities, depository receipts, warrants, participation rights and participation notes;</li> </ul>



	<ul style="list-style-type: none"> <li>debt securities, including fixed or floating rates, convertible bonds, zero-coupons, government and treasury bonds, without limits of duration and grade and up to 10% of the assets into contingent convertible bonds;</li> <li>financial derivatives instruments, listed on a regulated market and/or over the counter (OTC), for both investment purposes and hedging of portfolio risks (e.g. currency rate risk, equity risks and rate risk);</li> <li>Money Market Instruments, term deposits and liquid assets mainly denominated in EUR, USD, JPY, CAD, NOK, SEK and CHF and up to 40% of its net assets denominated in other currencies.</li> </ul>	<ul style="list-style-type: none"> <li>debt securities, including fixed or floating rates, convertible bonds, zero-coupons, government and treasury bonds, with an average modified duration lower than 5 years, a maximum exposure of 30% to non-investment grade bonds, of which a maximum 10% can be emerging market bonds, and up to 10% of the assets into contingent convertible bonds;</li> <li>financial derivatives instruments, listed on a regulated market, for both investment purposes and hedging of portfolio risks (e.g. currency rate risk, equity risks and rate risk);</li> <li>Money Market Instruments, term deposits and liquid assets mainly denominated in EUR, USD, JPY, CAD, NOK, SEK and CHF.</li> </ul> <p>The Sub-Fund will invest at least 60% of its total net assets in assets denominated in EUR.</p>
<u>Cut-Off Time for receipt of order</u>	The Luxembourg Business Day preceding the Valuation Day at 4:00 p.m. (CET)	The Luxembourg Business Day preceding the Valuation Day at 2:00 p.m. (CET)
<u>Cut-Off Time for payment of subscriptions</u>	Two (2) Luxembourg Business Days following the applicable Publication Day.	Two (2) Luxembourg Business Days following the applicable Valuation Day.
<u>Cut-Off Time for payment of redemptions</u>	Three (3) Luxembourg Business Days following the applicable Publication Day	Two (2) Luxembourg Business Days following the applicable Valuation Day
<b>M&amp;M Flexible</b>		
<u>Cut-Off Time for receipt of order</u>	The Luxembourg Business Day preceding the Valuation Day at 4:00 p.m. (CET)	The Luxembourg Business Day preceding the Valuation Day at 2:00 p.m. (CET)
<u>Cut-Off Time for payment of subscriptions</u>	Two (2) Luxembourg Business Days following the applicable Publication Day.	Two (2) Luxembourg Business Days following the applicable Valuation Day.

**TAILORED FUND**

30, Boulevard Royal, L-2449 Luxembourg | R.C.S. Luxembourg: B 207485



<u>Cut-Off Time for payment of redemptions</u>	Three (3) Luxembourg Business Days following the applicable Publication Day	Two (2) Luxembourg Business Days following the applicable Valuation Day
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## 2.2 INFORMATION RELATING TO THE INVESTMENT OBJECTIVE AND POLICY APPLIED FOR THE SUB-FUND GLOBAL ASSET ALLOCATION -25/125

The investment policy of the sub-fund had foreseen the use of “*financial derivatives instruments listed on a regulated market and/or over the counter (OTC)*”. In practise, these instruments were not and will not be use.

The following amendment will be inserted in the Part II of the Prospectus, for the sub-fund **GLOBAL ASSET ALLOCATION -25/125**:

The current wording available under page 93 of the prospectus foresees:

<b>Investment objective and policy (paragraph 2)</b>	<p>For that purpose, the Sub-Fund may invest its net assets, directly or indirectly (through UCITS or other UCIs), in (without any geographical restriction):</p> <ul style="list-style-type: none"> <li>■ equities, equity-linked securities, depository receipts, warrants, participation rights and participation notes;</li> <li>■ debt securities, including fixed or floating rates, convertible bonds, zero-coupons, government and treasury bonds, without limits of duration and grade and up to 10% of the assets into contingent convertible bonds;</li> <li>■ financial derivatives instruments, listed on a regulated market and/or over the counter (OTC), for both investment purposes and hedging of portfolio risks (e.g. currency rate risk, equity risks and rate risk);</li> <li>■ Money Market Instruments, term deposits and liquid assets mainly denominated in EUR, USD, JPY, CAD, NOK, SEK and CHF and up to 40% of its net assets denominated in other currencies.</li> </ul>
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The new wording will be:

<b>Investment objective and policy (paragraph 2)</b>	<p>For that purpose, the Sub-Fund may invest its net assets, directly or indirectly (through UCITS or other UCIs), in (without any geographical restriction):</p> <ul style="list-style-type: none"> <li>■ equities, equity-linked securities, depository receipts, warrants, participation rights and participation notes;</li> <li>■ debt securities, including fixed or floating rates, convertible bonds, zero-coupons, government and treasury bonds, with an average modified duration lower than 5 years, a maximum exposure of 30% to non-investment grade bonds, of which a maximum 10% can be emerging market bonds, and up to 10% of the assets into contingent convertible bonds;</li> <li>■ financial derivatives instruments, listed on a regulated market, for both investment purposes and hedging of portfolio risks (e.g. currency rate risk, equity risks and rate risk);</li> <li>■ Money Market Instruments, term deposits and liquid assets mainly denominated in EUR, USD, JPY, CAD, NOK, SEK and CHF.</li> </ul>
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	The Sub-Fund will invest at least 60% of its total net assets in assets denominated in EUR.
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Also, a reference to “emerging markets” has been added to the risk factors list of the sub-fund (p94).

### 2.3 INFORMATION RELATING TO THE PERFORMANCE FEE APPLIED FOR THE SUB-FUND GLOBAL ASSET ALLOCATION -25/125

The following amendment will be inserted in the Part II of the Prospectus, for the sub-fund **GLOBAL ASSET ALLOCATION -25/125**:

The current wording available under page 96 of the prospectus foresees:

<b>Performance fee</b>	<p><b>Performance:</b> the annual increase of the Net Asset Value of the Sub-Fund.</p> <p><b>Performance fee:</b> 20% on any increase of the Net Asset Value of the Sub-Fund exceeding 12% (the <b>Hurdle Rate</b>) during the Performance Period, it being understood that the performance fee is only paid in respect of the part of the Net Asset Value that exceeds the Hurdle Rate.</p> <p><b>Performance Period:</b> the financial year from 1 January to 31 December of each year. The first Performance Period shall start on the first Valuation Day and ends on 31 December 2016.</p> <p>The performance fee shall be calculated and accrued on each Valuation Day and paid annually in arrears.</p>																																										
<b>Performance Fee Scenario</b>	<p>The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV) per share, equivalent to 20% of the performance of the Net Asset Value per Share of the Classes of Shares exceeding 12% (the Hurdle Rate) measured against a High-Water Mark (over a period of 5 years) during the performance period, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.</p> <table><tr><th></th><th>NAV before Perform ance Fee</th><th>HWM per share</th><th>NAV per share performan ce</th><th>Hurdle Rate</th><th>Perform ance Fee</th><th>NAV after Performan ce Fee</th></tr><tr><td>Year 1:</td><td>€121.00</td><td>€100.00</td><td>21.00%</td><td>12.00%</td><td>€1.80</td><td>€119.20</td></tr><tr><td>Year 2:</td><td>€121.00</td><td>€119.20</td><td>1.51%</td><td>12.00%</td><td>-</td><td>€121.00</td></tr><tr><td>Year 3:</td><td>€117.00</td><td>€121.00</td><td>-3.31%</td><td>12.00%</td><td>-</td><td>€117.00</td></tr><tr><td>Year 4:</td><td>€127.00</td><td>€121.00</td><td>8.55%</td><td>12.00%</td><td>-</td><td>€127.00</td></tr><tr><td>Year 5:</td><td>€145.00</td><td>€127.00</td><td>14.17%</td><td>12.00%</td><td>€0.55</td><td>€144.45</td></tr></table> <p>With a performance fee rate equal to +20%:</p>		NAV before Perform ance Fee	HWM per share	NAV per share performan ce	Hurdle Rate	Perform ance Fee	NAV after Performan ce Fee	Year 1:	€121.00	€100.00	21.00%	12.00%	€1.80	€119.20	Year 2:	€121.00	€119.20	1.51%	12.00%	-	€121.00	Year 3:	€117.00	€121.00	-3.31%	12.00%	-	€117.00	Year 4:	€127.00	€121.00	8.55%	12.00%	-	€127.00	Year 5:	€145.00	€127.00	14.17%	12.00%	€0.55	€144.45
	NAV before Perform ance Fee	HWM per share	NAV per share performan ce	Hurdle Rate	Perform ance Fee	NAV after Performan ce Fee																																					
Year 1:	€121.00	€100.00	21.00%	12.00%	€1.80	€119.20																																					
Year 2:	€121.00	€119.20	1.51%	12.00%	-	€121.00																																					
Year 3:	€117.00	€121.00	-3.31%	12.00%	-	€117.00																																					
Year 4:	€127.00	€121.00	8.55%	12.00%	-	€127.00																																					
Year 5:	€145.00	€127.00	14.17%	12.00%	€0.55	€144.45																																					



	<p>Year 1: The NAV per share performance (21%) is superior to the hurdle rate (12%). The excess of performance is 12% and generates a performance fee equal to 1.80€.</p> <p>Year 2: The NAV per share performance (1,51%) is inferior to the hurdle rate (12%). No performance fee is calculated.</p> <p>Year 3: The NAV per share performance (-3.31%) is inferior to the hurdle rate (12%). No performance fee is calculated.</p> <p>Year 4: The NAV per share performance (8.55%) is inferior to the hurdle rate (12%). No performance fee is calculated.</p> <p>Year 5: The NAV per share performance (14,17%) is superior to the hurdle rate (12%). The excess of performance is 2,17% and generates a performance fee equal to 0.55€.</p>
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The new wording will be:

<b>Performance fee</b>	<p><b>Performance:</b> the annual increase of the Net Asset Value of the Sub-Fund.</p> <p><b>Performance fee:</b> 25% on any increase of the Net Asset Value of the Sub-Fund exceeding 3% (the <b>Hurdle Rate</b>) during the Performance Period, it being understood that the performance fee is only paid in respect of the part of the Net Asset Value that exceeds the Hurdle Rate.</p> <p><b>Performance Period:</b> the financial year from 1 January to 31 December of each year. The first Performance Period shall start on the first Valuation Day and ends on 31 December 2016.</p> <p>The performance fee shall be calculated and accrued on each Valuation Day and paid annually in arrears.</p> <p>In the event that a Shareholder redeems prior to the end of the Performance Period, crystallising unpaid Performance Fees on those Shares at the time of their redemption shall be paid out monthly in arrears</p>																					
<b>Performance Fee Scenario</b>	<p>The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV) per share, equivalent to 25% of the performance of the Net Asset Value per Share of the Classes of Shares exceeding 3% (the Hurdle Rate), as detailed in the Performance Fee section above, measured against a High-Water Mark (over a period of 5 years on a rolling basis) during the performance period, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.</p> <table><tr><th></th><th>NAV before Perform ance Fee</th><th>HWM per share</th><th>NAV per share performan ce</th><th>Hurdle Rate</th><th>Perform ance Fee</th><th>NAV after Performan ce Fee</th></tr><tr><td>Year 1:</td><td>€121.00</td><td>€100.00</td><td>21.00%</td><td>3.00%</td><td>€4.50</td><td>€116.50</td></tr><tr><td>Year 2:</td><td>€121.00</td><td>€116.50</td><td>3.86%</td><td>3.00%</td><td>€0.25-</td><td>€120.75</td></tr></table>		NAV before Perform ance Fee	HWM per share	NAV per share performan ce	Hurdle Rate	Perform ance Fee	NAV after Performan ce Fee	Year 1:	€121.00	€100.00	21.00%	3.00%	€4.50	€116.50	Year 2:	€121.00	€116.50	3.86%	3.00%	€0.25-	€120.75
	NAV before Perform ance Fee	HWM per share	NAV per share performan ce	Hurdle Rate	Perform ance Fee	NAV after Performan ce Fee																
Year 1:	€121.00	€100.00	21.00%	3.00%	€4.50	€116.50																
Year 2:	€121.00	€116.50	3.86%	3.00%	€0.25-	€120.75																

**TAILORED FUND**

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Year 3:	€117.00	€120.75	-3.11%	3.00%	-	€117.00
Year 4:	€127.00	€120.75	8.55%	3.00%	€1.62	€125.38
Year 5:	€145.00	€125.38	15.65 %	3.00%	€3.96	€141.04

With a performance fee rate equal to +25%

Year 1: The NAV per share performance (21%) is superior to the hurdle rate (3%). The excess of performance is 18% and generates a performance fee equal to 4.50€.

Year 2: The NAV per share performance (3.86%) is superior to the hurdle rate (3%). The excess of performance is 0,86% and generates a performance fee equal to 0.25€.

Year 3: The NAV per share performance (-3.11%) is inferior to the hurdle rate (3%). No performance fee is calculated.

Year 4: The NAV per share performance (8.55%) is superior to the hurdle rate (3%). The excess of performance is 5.55% and generates a performance fee equal to 1.62€.

Year 5: The NAV per share performance (15.65%,) is superior to the hurdle rate (3%). The excess of performance is 12.65% and generates a performance fee equal to 3.96€.

A new Prospectus dated October 2023 reflecting, *inter alia*, the above changes will be available at the registered office of the Fund. The effective date of the above changes will be on **2 October 2023**.

**If the above amendments do not suit your investment requirements, you may request redemption of your shares, free of charge, at any time until 29 September 2023 at 4:00 p.m. (Luxembourg time) at the latest in accordance with the terms of the Prospectus.**

Should you have any queries about any of the changes in this notice, please contact the Fund in the usual manner.

Yours faithfully,

**Tailored Fund**