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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2023-10-18  
Commission de Surveillance du Secteur Financier



# OAS ZONTIK SICAV

Investment company with variable capital  
(*Société d'investissement à capital variable*)  
Incorporated in Luxembourg  
as a UCITS

## Prospectus

October 2023

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## INTRODUCTION

### 1 IMPORTANT INFORMATION

This Prospectus should be read in its entirety before an investment in the Shares. All capitalized terms used in this Prospectus shall have the meaning ascribed to them in **Introduction, Section 2 (Definitions)** below, unless otherwise stated herein.

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, solicitor, accountant or other financial advisor. No person is authorised to give any information other than that contained in this Prospectus, or any of the documents referred to herein that are available for public inspection at the registered office of the Fund.

OAS Zontik SICAV is an investment company with variable capital (*société d'investissement à capital variable*) registered on the official list of Luxembourg UCITS maintained by the CSSF pursuant to Part I of the UCI Law.

The Fund has appointed MC Square SA, *société anonyme*, as its management company to provide portfolio management, administration and marketing services to the Fund, with the possibility to delegate all or part of such services to third parties.

#### **Selling restrictions**

The Fund is registered in Luxembourg as a UCITS and may thus offer the Shares to the public in Luxembourg. Shares in one or more Sub-Funds may be offered for sale in other member states of the European Union subject to prior registration and in other countries worldwide subject to the requirements of applicable local laws. However, registration of the Fund or its Sub-Fund(s) in any country does not entail a positive assessment by any supervisory authority of the content of this Prospectus or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorised and unlawful.

This Prospectus does not constitute, and may not be used for the purpose of, an offer to, or solicitation by, any person in any jurisdiction in which such offer or solicitation is unlawful or unauthorised or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is illegal to make such an offer or solicitation.

The distribution of this Prospectus and the offering of the Shares may thus be restricted in certain jurisdictions. At the date hereof, neither the Fund nor the Shares have been registered for public offering in the United States of America or in Canada under any law.

It is the responsibility of any person in possession of this Prospectus and any Investor to inform themselves of, and to observe in subscribing to Shares, all applicable laws and regulations of any relevant jurisdictions, such as FATCA.

#### **Documents available and accuracy of their content**

Shares are offered on the basis of the information and representations contained in this Prospectus, the KIIDs and the documents specified therein, which may be consulted by any Investor at the registered office of the Fund. No other information or representation relating

thereto is authorised. The information contained in this Prospectus is considered to be accurate at the date of its publication. Neither the delivery of this Prospectus nor the offer, the issue and the subscription of Shares constitute a representation that the information contained in this Prospectus is at any time accurate after the date hereof. This Prospectus shall be updated from time to time upon all significant modifications. Investors may request the last version of the Prospectus at the registered office of the Fund or the Management Company or download it on the website of the Management Company at: [www.mcsquare.lu](http://www.mcsquare.lu).

The Board of Directors accepts responsibility for the information contained in this Prospectus at the date hereof. To the best of the knowledge and belief of the Board of Directors, (which has taken all reasonable care to ensure that it is the case) the information contained in this Prospectus represents fairly and correctly the facts and does not omit anything likely to affect the import of such information.

The Management Company publishes KIIDs in respect of each Sub-Fund and/or Share Class that include the information necessary for Investors to make an informed judgement of the investment proposed to them and, in particular, the risks attached thereto. The KIIDs have to be provided prior to any subscription and are available free of charge at the registered office of the Fund or the Management Company and on the website of the Management Company at: [www.mcsquare.lu](http://www.mcsquare.lu).

Subscription to Shares may only be made upon presentation to the Investors of this Prospectus, the relevant KIID(s), and the last available Annual Report or the semi-annual report of the Fund, if the latter is more recent than the Annual Report. These reports in their latest version form an integral part of the Prospectus. The Annual Report and the semi-annual report are available free of charge at the registered office of the Fund or the Management Company and on the website of the Management Company at: [www.mcsquare.lu](http://www.mcsquare.lu).

## **Risk**

Investors should note that an investment in the Shares may be speculative. Investors are made aware that the price of Shares and the income derived therefrom may go down as well as up. As a result Investors might sustain partial or in extreme circumstances, complete loss of the amount initially invested. There can be no assurance that the investment objective of the Sub-Funds will be achieved. The Fund and its Sub-Funds may trigger more specific risks which are described in **Part I Section 2 (Risk Factors)** and for each Sub-Fund in **Part III**.

**Investors should carefully consider whether an investment in the Shares is suitable for them in light of their personal circumstances and financial resources. They are recommended to obtain advices from a qualified expert and consult advisors as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant in the subscription, purchase, holding or disposal of Shares.**

## **Data Protection**

Investors are informed that their personal data provided and/or collected in connection with an investment in the Fund will be processed (as described hereafter) in accordance with the Data

Protection Law (including but not limited to the EU Regulation 2016/679 dated 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 (all such terms being collectively referred to hereafter as “the **General Data Protection Regulation**” – the “**GDPR**”). Investors agree that their personal data contained in the Subscription Form and those transmitted to the Fund or its agents from time to time during their business relationship may be collected, recorded, stored, adapted, transferred or otherwise processed and use (all such terms being collectively referred to hereafter as “**processed**”) by the Fund for the purpose of complying with legal requirements (including with anti-money laundering and terrorism financing requirements and FATCA and Common Reporting Standard requirements), account administration and managing the services and business relationship with the Investor. The personal data of the Investors may thus be transferred for the same purposes to Luxembourg tax authorities pursuant to the DAC Law and the FATCA Law (and albeit to the IRS), sub-contractors and agents of the Fund, such as the Depository, the Central Administrative Agent, the Domiciliary Agent and any other entity appointed by the Fund. The Fund is responsible for the processing of personal data relating to Investors. Processing of personal data is strictly regulated by the Data Protection Law which aims to protect the privacy of individuals. Investors can have access to their personal data upon request as well as to the data forwarded to the Luxembourg tax authorities and can request to rectify, modify and update such personal data both towards the Fund and the Luxembourg tax authorities. In case the Luxembourg tax authorities or the Fund detects a security breach which would affect the protection or the privacy of personal data, the latter will inform the Investors concerned accordingly.

### **Official Language**

The official language of this Prospectus and of the Articles is English. However this Prospectus and any other documents may be translated into other languages in particular according to the jurisdictions where the Shares are registered for distribution. In case of discrepancy between the English version and any other language the English version shall prevail, except in case of manifest error.

## **2 DEFINITIONS**

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<b>Account Number</b>	the reference account number granted by the Central Administrative Agent to a Shareholder upon registration of its first subscription.
<b>Advisory Fee</b>	a fee paid by the Management Company or by the Fund out of the Management Fee to the Investment Advisor(s).
<b>AML Directive</b>	the EU Directive 2015/849/EC of 20 May 2015 on the prevention for the use of the financial system for money laundering and terrorism financing purposes and its implementing measures.
<b>Annual General Meeting</b>	the General Meeting at which, <i>inter alia</i> , the Annual Report is presented to Shareholders for approval.
<b>Annual Report</b>	the annual accounts of the Fund per se, the management report and the Auditor’s report.

<b>Articles</b>	the articles of association of the Fund.
<b>Auditor</b>	the authorised independent auditor ( <i>réviseur d'entreprises agréé</i> ) of the Fund appointed by the General Meeting.
<b>Benchmark</b>	a standard index used as a reference to measure the performance of a Sub-Fund.
<b>Board of Directors</b>	the managing body of the Fund, formed by all the Directors.
<b>Caisse de Consignation</b>	a Luxembourg government agency responsible among other to safeguard unclaimed assets entrusted to it by financial institutions in accordance with Luxembourg law.
<b>Central Administrative Agent</b>	the agent appointed by the Management Company for the administration and accounting of the Fund, for maintaining the Share Register and for the ancillary services in connection therewith.
<b>Circular 04/146</b>	the circular of the CSSF 04/146 of 17 June 2004 on the protection of UCI and their investors against late trading and market timing practices.
<b>Circular 08/356</b>	the circular of the CSSF 08/356 dated 4 June 2008 concerning UCITS employing certain techniques and instruments relating to Transferable Securities and Money Market Instruments.
<b>Circular 18/698</b>	the circular of the CSSF 18/698 dated 23 August 2018 on the authorisation and organisation of Luxembourg investment fund managers and specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the registrar agent function.
<b>Circular 14/587</b>	the circular of the CSSF 14/587 dated 11 July 2014 on the provisions applicable to credit institutions acting as depositaries of UCITS subject to Part I of the UCI Law and to all UCITS, as the case may be, represented by their management company.
<b>Circular 14/592</b>	the circular of the CSSF 14/592 relating to the ESMA Guidelines on ETFs and other UCITS issues.
<b>Commission Recommendation on Remuneration Policies</b>	the Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector.



<b>Company Law</b>	the Luxembourg law of 10 August 1915 on commercial companies.
<b>Converted Share Class</b>	the Share Class in which Shares will be issued against Shares of the Converting Sub-Fund or Converting Share Class for which conversion has been requested.
<b>Converted Sub-Fund</b>	the Sub-Fund in which Shares will be issued against Shares of the Converting Sub-Fund for which conversion has been requested.
<b>Converting Sub-Fund</b>	the Sub-Fund from which Shares are being requested to be converted into Shares of another Share Class and/or Sub-Fund.
<b>Converting Share Class</b>	the Share Class from which Shares are being requested to be converted into Shares of another Share Class and/or Sub-Fund.
<b>CSSF</b>	the Luxembourg supervisory authority of the financial sector, <i>Commission de Surveillance du Secteur Financier</i> .
<b>Cut-Off Time</b>	the time limit prior to which an instruction for subscription, redemption, conversion or other transaction on the Shares has to be received to be processed at a given Valuation Day.
<b>DAC Law</b>	the Luxembourg law of 18 December 2015 relating to the automatic exchange of financial account information in tax matters and implementing the Council Directive 2014/107/EU of 9 December 2014 amending the Directive on administrative cooperation 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
<b>Data Protection Law</b>	the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data.
<b>Delegated Regulation 2016/438</b>	the Commission delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries.
<b>Depositary</b>	the entity appointed as depositary of the Fund, for the purpose of article 33 of the UCI Law.

<b>Directive 78/660/EEC</b>	the Directive 78/660/EEC of 25 July 1978 based on article 54 paragraph 3 g) of the Treaty on the annual accounts of certain types of companies.
<b>Director</b>	a member of the Board of Directors, appointed by the General Meeting or co-opted by the other members of the Board of Directors.
<b>Distribution Fee</b>	a fee perceived by the Management Company for marketing services.
<b>Distributor</b>	an agent appointed by the Management Company, authorised to distribute Shares.
<b>Domiciliation Agent</b>	the agent of the Fund appointed by the Fund to provide a registered office and other secretarial and administrative services.
<b>Eligible Entity</b>	a central bank, a credit institution, a bank authorized in a third country under Article 18(1)(c) of the Directive 2006/73/EC of 10 August 2006 implementing MiFID as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive or another entity of the same nature, in the relevant market where cash accounts are required provided that such entity is subject to effective prudential regulation and supervision which have the same effect as European Union law and are effectively enforced and in accordance with the principles set out in article 16 of Directive 2006/73/EC.
<b>ESMA Guidelines on Remuneration</b>	the draft ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD, as published in the final report ESMA/2016/411 of ESMA on 31 March 2016.
<b>EU Member State</b>	a member state of the European Union.
<b>EU Regulation 2015/2365</b>	the EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transaction and of reuse.
<b>Extraordinary General Meeting</b>	any General Meeting at which an amendment to the Articles is contemplated.
<b>FATCA</b>	the US Foreign Account Tax Compliance Act of the 2010 Hire Incentives to Restore Employment Act.

<b>FATCA Law</b>	the Luxembourg law of 24 July 2015 relating to FATCA.
<b>FATF</b>	the inter-governmental body Financial Action Task Force, established in 1989.
<b>Fixed Total Expenses Ratio or Fixed TER</b>	the fixed amount of ordinary expenses perceived per annum by the Management Company, as further described herein.
<b>Fund</b>	OAS Zontik SICAV.
<b>General Meeting</b>	the general meeting of the Shareholders of the Fund, whether Ordinary General Meeting or Extraordinary General Meeting, or of a particular Sub-Fund or Share Class.
<b>Group Link</b>	a situation in which two or more undertakings or entities belong to the same group within the meaning of article 2 (11) of Directive 2013/34/EU of the European Parliament and of the Council on international accounting standards adopted in accordance with Regulation (EC) N° 1606/2002 of the European Parliament and of the Council.
<b>Group of Companies</b>	companies which are included in the same group for the purposes of consolidated accounts, as defined in the Directive 83/349/EEC on the preparation of consolidated accounts or in accordance with recognised international accounting rules.
<b>Hedged Share Class</b>	a Share Class, which is denominated in a different Reference Currency than the Reference Currency of the relevant Sub-Fund but for which the Fund uses hedging techniques in order to prevent exchange rate fluctuations and local currency devaluation.
<b>Identified Staff</b>	the categories of staff having a material impact on the risk profile of the Fund and as defined in article 14a 3 of the UCITS Directive.
<b>IGA</b>	an intergovernmental agreement between the Luxembourg Government and the Government of the United States of America dated 28 March 2014, made to improve international tax compliance and with respect to the US information reporting provisions commonly known as FATCA.
<b>Institutional Investor</b>	an investor within the meaning of article 174 of the UCI Law, as construed from time to time by the CSSF and which includes currently credit institutions and other

professionals of the financial sector whether investing on their behalf or on behalf of Institutional Investors or of other clients under discretionary management, insurance and reinsurance companies, social security institutions, pension funds, Luxembourg and foreign collective investment schemes and qualified holding companies.

<b>Investment Advisor</b>	an advisor appointed by the Management Company or an Investment Manager, to provide investment recommendations in respect of one or more Sub-Funds.
<b>Investment Manager</b>	an investment manager appointed by the Management Company, in charge of the portfolio management of one or more Sub-Funds.
<b>Investor</b>	a prospective investor who may purchase or subscribe for Shares in the Fund.
<b>IRS</b>	the US Internal Revenue Service.
<b>KIID</b>	a two pages regulatory document, referred to as key investor information document, which provides standardised and comparable information for each Sub-Fund or Share Class, as the case may be.
<b>Late Trading</b>	the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (Cut-Off Time) on the relevant day and the execution of such order at the price based on the Net Asset Value applicable on that day.
<b>Luxembourg Business Day</b>	any full day other than Saturdays, Sundays and legal holidays in Luxembourg, in which banks are usually open in Luxembourg to conduct business.
<b>Luxembourg Official Gazette</b>	the official gazette of Luxembourg published (i) by an agency of the Luxembourg Government called Mémorial, Journal Officiel du Grand Duché de Luxembourg, Recueil des Sociétés et Associations (ii) and as from 1 June 2016 on the official electronic platform of central publication called Recueil Electronique des Sociétés et Associations RESA available on the website of the Luxembourg RCS at <a href="http://www.rcsl.lu">www.rcsl.lu</a> .
<b>Luxembourg RCS</b>	the Luxembourg Register of Commerce and Companies, the <i>Registre de Commerce et des Sociétés, Luxembourg</i> .

<b>Management Company</b>		the management company appointed by the Fund pursuant to Chapter 15 of the UCI Law.
<b>Market Timing</b>		an arbitrage method through which an Investor systematically subscribes and redeems or converts Shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the Shares.
<b>Member State</b>		a Member State of the European Union. The States that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by such agreement and related acts, are considered as equivalent to Member States of the European Union.
<b>Money Instruments</b>	<b>Market</b>	instruments normally dealt with in on the money market, which are liquid and have a value, which can be accurately determined at any time.
<b>Net Asset Value</b>		the net asset value per Share, of a Share Class, of a Sub-Fund or of the Fund, as the case may be.
<b>Ordinary Meeting</b>	<b>General</b>	any General Meeting other than an Extraordinary General Meeting.
<b>OTC Derivatives</b>		refers to financial derivative securities that are not traded on a regulated exchange trading market.
<b>Performance Fee</b>		a fee which is related to the performance of a Sub-Fund and perceived by the Management Company or its delegates (if any).
<b>Pooled Sub-Fund</b>		the Sub-Funds whose assets are aggregated and managed on a pooled basis, for the purpose of investment to benefit from economies of scale, such as for lower trading costs per investment.
<b>Prohibited Person</b>		<ul style="list-style-type: none"> <li>▪ an Investor which is listed by the European authorities, the United Nations, the Office of Foreign Assets Control or the FATF as a prohibited person;</li> <li>▪ a shell bank as defined by the AML Directive or a credit institution known to permit shell banks to use its accounts;</li> <li>▪ a person carrying out or suspected from carrying out money laundering or terrorism financing activities;</li> <li>▪ any person in breach of the law or requirements of any country or governmental or regulatory authority</li> </ul>

which cause a damage (including reputational) to the Fund or any of its agents; or

- any person willing to hold or holding Shares, whose holding may be, or becomes, in the sole opinion of the Fund, detrimental to the interests of the Shareholders or of the Fund, for instance in case of breach by such person of the terms of the Prospectus or any applicable law or if as a result thereof the Fund is or may become exposed to tax disadvantages (including as a result of FATCA), liabilities, fines, penalties or any regulatory or other burden that it would not have otherwise incurred or suffered (such as registering Shares under any jurisdiction).

<b>Prospectus</b>	the issuing document of the Fund in respect of the offer of the Shares.
<b>Redemption Fee</b>	a fee based on a percentage of the Net Asset Value per Share perceived at the time of the redemption of the Shares.
<b>Redemption Form</b>	the form provided by the Management Company or the Central Administrative Agent to redeem Shares.
<b>Redemption Price</b>	the price at which the Shares are redeemed less any penalty fee (if any) and redemption fee (if any).
<b>Reference Currency</b>	the base currency in which the accounting of the Fund, a Sub-Fund or Share Class, as the case may be, is made.
<b>Regulated Market</b>	the market referred to in article 4, point 1(14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.
<b>Savings Directive</b>	the Directive 2003/48/EC on the taxation of savings income in the form of interest payments adopted by the Council of the European Union on 3 June 2003.
<b>Securities Financing Transactions</b>	means (i) a repurchase transaction, (ii) securities or commodities lending and securities or commodities borrowing, (iii) a buy-sell back transaction or sell-buy back transaction and (iv) a margin lending transaction.
<b>Share</b>	a share in registered or dematerialised form issued by the Fund, with no par value, in respect of any Sub-Fund and/or Share Class (if any).
<b>Share Class</b>	a share class issued in respect of a particular Sub-Fund with specific features, but attached to the assets of the Sub-Fund.

<b>Share Price</b>	the price of the Shares, which is based on the Net Asset Value per Share after the initial subscription period.
<b>Share Register</b>	the register of Shares drawn up in accordance with article 39 of the Company Law.
<b>Shareholder</b>	a holder of one or more Shares.
<b>Sub-Fund</b>	a compartment within the Fund, whose assets and liabilities are segregated from the assets and liabilities of other compartments, in accordance with article 181 (5) of the UCI Law.
<b>Sub-Investment Advisor</b>	an investment advisor appointed at the discretion of an Investment Advisor.
<b>Subscription Fee</b>	a fee perceived at the time of the subscription of Shares.
<b>Subscription Form</b>	the form provided by the Management Company or the Central Administrative Agent to subscribe to Shares.
<b>Subscription Price</b>	the price at which the Shares are subscribed plus any Subscription Fee (if any).
<b>Transferable Securities</b>	means: <ul style="list-style-type: none"> <li>▪ shares in companies and other securities equivalent to shares in companies;</li> <li>▪ bonds and other forms of securitised debt ("debt securities"); and</li> <li>▪ any other negotiable securities, which carry the right to acquire any such transferable securities by subscription or exchange.</li> </ul>
<b>UCI</b>	an undertaking for collective investment within the meaning of the UCI Law.
<b>UCI Law</b>	the Luxembourg law of 17 December 2010 on undertakings for collective investment.
<b>UCITS</b>	an undertaking for collective investment in transferable securities within the meaning of the UCI Law.
<b>UCITS Directive</b>	the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS.
<b>US Person</b>	has the meaning ascribed to such term under any relevant US legislation, including under FATCA.

**Valuation Day**

each date on which the Net Asset Value is determined individually for each Share Class or Sub-Fund and on which shares are issued and redeemed.

Reference in this Prospectus to:

- law, regulation, circular or directive is a reference to that law, regulation, circular or directive as amended from time to time;
- any document or agreement is a reference to such document or agreement as amended from time to time;
- an “**amendment**” includes a supplement, novation, restatement or re-enactment and the word “**amend**” and its derivatives are construed accordingly;
- a clause, paragraph, schedule, section or appendix is, unless otherwise stated, a reference to a clause, paragraph, schedule, section or appendix of this Prospectus;
- clause and section headings are for reference purposes only;
- a singular term includes the plural and vice versa and to one gender includes the other;
- “**including**” means “including without limitation” or “without prejudice of the generality of the foregoing”, and the word “**include**” and its derivatives should be construed accordingly;
- a “**person**” means any individual, firm, company, corporation, government or state, any association, trust, partnership or other entity;
- an hour or time is reference to Central European Time (**CET**) unless otherwise indicated; and
- the “**Fund**” means the Fund and any of its agents, officers, representatives to whom it may have delegated powers.

### 3 DIRECTORY

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#### 3.1 REGISTERED OFFICE

30, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg

#### 3.2 BOARD OF DIRECTORS

Sergey Prudnik, Chairman

Head of Investment at OASIS Wealth Management Limited, 23 Stasinou street, 1st floor, Office 101, 2404 Egkomi, Nicosia, Cyprus

Ivan Mazalov, Director

Prosperity Capital Management (UK) Limited, 2nd floor, 6 Cavendish Square, London W1G0PD, United Kingdom

Yves Speeckaert, Independent Director

241 route de Longwy, L-1941 Luxembourg



### **3.3 MANAGEMENT COMPANY**

MC Square SA  
23 Val Fleuri, L-1526 Luxembourg  
Grand Duchy of Luxembourg

#### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Karl Heinz DICK  
Independent Director

Mr. André LECOQ  
(Chairman of the Board, and appointed representative for the daily management)

Mr. Ntoudi MOUYELO-KATOULA  
Independent Director

Mr. Pierre MALEVEZ  
(Director of the Management Company).

Mr. Eric NOLEN  
(Director of the Management Company)

#### **CONDUCTING OFFICERS**

Mr. André LECOQ

Mr. Alexandre HECKLEN

Mr Olivier MERAY

### **3.4 CENTRAL ADMINISTRATIVE AGENT, DEPOSITARY, PAYING AGENT AND DOMICILIARY AGENT**

Banque de Patrimoines Privés S.A.  
30, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg  
<https://creand.lu> | E-mail : [info@creand.lu](mailto:info@creand.lu)

### **3.5 INVESTMENT MANAGER**

OASIS WEALTH MANAGEMENT LIMITED  
Stasinou 23, 1<sup>st</sup> floor, Office 101  
Egkomi  
2404 Nicosia, Cyprus

### **3.6 AUDITOR**

Mazars Luxembourg S.A.  
5, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg

## PART I – THE FUND

### 1 STRUCTURE OF THE OFFER

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#### 1.1 THE FUND

The Fund is a public liability company (*société anonyme*) qualifying as a UCITS under the UCI Law.

The Fund has been incorporated for an unlimited duration on 14 July 2014 under the laws of Luxembourg as an investment company with variable capital (*société d'investissement à capital variable - SICAV*).

The Articles have been deposited with the Luxembourg RCS and published in the Luxembourg Official Gazette. The Articles may be amended from time to time (see **Part I, Section 5.4.4 (Right to amend the Articles)**) and any amendment thereto will be published in the Luxembourg Official Gazette. The Fund has been registered with the Luxembourg RCS under number B 189139.

The subscribed share capital of the Fund may not be less than the minimum prescribed by law which is set at the date hereof to EUR 1,250,000 or its equivalent in another currency and must be achieved within twelve (12) months after the date on which the Fund has been authorised as a UCITS. The capital of the Fund is represented by Shares of no par value and shall be at any time equal to the total Net Asset Value of the Fund. Variations in the capital shall be effected *ipso jure* without publications or registrations requirements.

#### 1.2 THE SHARES

All Shares are issued in un-certificated registered form and the Share Register is conclusive evidence of ownership. The Fund treats the registered owner of a Share as Shareholder.

Unless an opportunity arises, it is not intended to list the Shares on a stock exchange.

The Fund may issue an unlimited number of Shares without reserving to existing Shareholders a preferential or pre-emptive right to subscribe to Shares to be issued. Each Share, irrespective of its Net Asset Value entitles to one vote at all General Meetings of Shareholders, subject to **Part I, Section 5.4.1.2 (Meetings of the Sub-Funds and Share Classes)**. Shares are issued without par value and are attached to a specific Sub-Fund and/or Share Class, if any.

Fractions of Shares may be issued up to four (4) decimals, the Fund being entitled to receive the adjustment. Such fraction of Shares entitles to a participation in the net results and liquidation proceeds of the Fund and the relevant Sub-Funds, as the case may be, on a pro rata basis. However fraction of Shares does not entitle to vote at General Meetings of the Fund, Sub-Funds or Share Classes.

### 1.3 THE SUB-FUNDS

The Fund is structured as an umbrella structure which may have one or more Sub-Funds. However, each Sub-Fund constitutes a distinct portfolio of assets and liabilities, which is segregated from the assets and liabilities of other Sub-Funds.

The Fund shall be considered as a single legal entity, however, Investors and creditors regarding a Sub-Fund shall only have recourse to the assets of this Sub-Fund. There is no cross-liability between the Sub-Funds and the assets of a Sub-Fund will be answerable exclusively for the rights of the Investors relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In the relations between Shareholders, each Sub-Fund shall be treated as a separate entity.

Each Sub-Fund has its own investment and restriction policy and independent risk profile and may provide different features in respect of, without limitation, eligible investors, fees, subscription, redemption, reference currency, hedging policy and/or distribution of dividends.

Sub-Funds may be created for an unlimited or limited period of time (regardless of the unlimited duration of the Fund) and in this latter case, the Board of Directors may extend the term once or several times.

### 1.4 THE SHARE CLASSES

The Fund may decide to create one or more Share Classes within a Sub-Fund, which are attached to the portfolio of the relevant Sub-Fund but which may have distinct features including in respect of their fee structure, Reference Currency, dividend policy or eligible investors or hedging policy.

In particular, a Hedged Share Class may be created, which may be denominated in a currency other than the Reference Currency of the relevant Sub-Fund but for which the Fund uses techniques and instruments in order to provide protection against movements of one currency against other currencies. The other characteristics of the Hedged Share Classes remain unchanged, save that the costs relating to the hedging shall be borne by such Hedged Share Classes. The effect of any hedging will be reflected in the Net Asset Value and, therefore, in the performance of the relevant Hedged Share Class.

The Reference Currency of each Sub-Fund, in which the Net Asset Value of a Sub-Fund is calculated, and as the case may be, of each Share Class, in which the Net Asset Value of a Share Class may be expressed, are set out in **Part III**.

Shares may either be distribution or capitalisation Shares. In the case of distribution Shares, the Board of Directors intends to distribute all income attributable to that Share Class while the income attributable to capitalisation Shares is on the contrary capitalized to increase the Net Asset Value per Share.

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\* \*

The Board of Directors may create one or more Sub-Funds and Share Classes from time to time and determine their specific features. This Prospectus will be updated each time a Sub-Fund or Share Class is launched. The specific characteristics of the existing Sub-Funds and Share Classes within such Sub-Funds, if any, are set forth in **Part III** below.

## **2 RISK FACTORS**

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Before making an investment decision, Investors should be aware of a certain number of risk factors, for which the Fund may not have any control over. Some risks are inherent to any type of investments, other are specific to the Fund or Sub-Funds. The Fund has however implemented a risk management process in order to identify, value, manage and monitor some of the risks to which the Fund is subject. Notwithstanding such monitoring, an investment in the Shares is only suitable to Investors accepting all the risks of their investments and during the entire term of their investment.

**The following is a brief description of certain factors that should be taking into account before investing but it does not purport to be a comprehensive summary of all the risks associated with an investment in the Shares.**

### **2.1 GENERAL**

Investors will have no other recourse than against the assets of the Sub-Fund in which they have invested.

The Fund aims to maximise return on future investments by creating additional value and selling them at the best time to obtain the best price. However, there can be no assurance that the Fund will be able to identify suitable investment opportunities or that such investment opportunities will be consummated or enable the Sub-Funds to meet their investment objectives or provide returns commensurate with the risk of investing in the Sub-Funds. Shareholders rely on the ability of the Fund to identify, manage and create value in future investments.

The Sub-Funds may sustain losses with respect to some or all of the capital invested, in particular its investments. Shareholders may thus be subject to partial or total loss of the initial amount invested.

### **2.2 ABS/MBS Risk**

Certain Sub-Funds may invest in ABS-MBS. The most significant risk of those securities arises from performance of the underlying collateral, in terms of both losses and prepayments. Should losses come in above expectations, senior holders could experience partial losses. Servicer performance is key during times of stress, as it impacts recovery rates. For structures relying on third-party insurers, the creditworthiness of the insurer becomes paramount.

Liquidity varies greatly among collateral types. Some sectors such as Agency Mortgage-Backed Securities, student loans, auto loans, credit cards and Commercial Mortgage-Backed

Securities are simple or well understood by the marketplace, resulting in greater secondary liquidity.

The bankruptcy remote legal structure regulating securitized bonds is designed to isolate assets from creditors should the issuer default. While the “true sale” concept has always been upheld in bankruptcy court thus far, the concept has been challenged in the past with the risk that rulings could be overturned in the future.

## **2.3 CAPITAL GROWTH RISK**

Certain Sub-Funds may distribute dividends from capital, profits and net realised and unrealised capital gains or pursue investment strategies to generate income.

Such strategies may have the effect of reducing the capital and the potential for long-term capital growth as well as increasing capital losses. In particular, the Sub-Funds may have reduced capital growth or increased capital losses (i) if the markets in which the Sub-Funds invest declines or (ii) if dividends are paid gross of fees and expenses (i.e. out of the net realised and net unrealised capital gains or initially subscribed capital).

## **2.4 COLLATERAL RISK**

### **2.4.1 Collateral received**

There is a risk that the collateral received to cover efficient portfolio management techniques or OTC Derivatives may be realised at a lower value than the value of the securities lent, purchased or sold, which could be due *inter alia* to an inaccuracy in the value of the collateral, adverse market movements, deterioration in the credit rating of the collateral issue or illiquidity of the market.

In case collateral received in cash is reinvested, there is a risk that the value or the return of the reinvested cash collateral may decline below the amount due to the collateral provider.

### **2.4.2 Collateral given**

Equally and for the same reasons, there is a risk that the value of the collateral given by the Fund to a counterparty may be higher than the cash received by the Fund. The Fund may encounter difficulties to recover collateral placed out in case of failure of the counterparty.

## **2.5 CONFLICTS OF INTEREST RISK**

The Management Company may carry out transactions in which it has, directly or indirectly, an interest which may involve a potential conflict with its duty to the Fund. The Management Company shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Management Company’s fees, unless otherwise provided, be abated.

The Management Company will ensure that such transactions are effected on terms which are not less favourable to the Fund than if the potential conflict had not existed.

## **2.6 CONTINGENT CONVERTIBLE SECURITIES RISK**

Contingent convertible bonds are a highly complex type of convertible securities issued by financial institutions. They can be converted into shares of the issuer only if a pre-specific trigger event occurs. Financial institutions and mainly large banks use such instruments as a cost effective way of meeting the level of capital required by regulations.

Contingent convertible bonds must be able to be written down or converted into equity when a certain trigger of the core equity capital of the issuing financial institution compared to its total risk-weighted assets is reached. Apart from this characteristic, contingent convertible securities have dissimilar features regarding trigger levels, necessary capital buffer levels and loss absorption mechanisms. The risks of probability of activating the trigger, the extent and probability of loss upon trigger conversion and the likelihood of coupons may thus be challenging to model. Certain risk factors are transparent (e.g. trigger level, coupon frequency, leverage, credit spread, rating etc) while other factors may be difficult to estimate (e.g. individual regulatory requirements relating to capital buffer, issuer's future capital position, issuer's behaviour in relation to coupon payments, risk of contagion).

The main risks associated with contingent convertible bonds are the following:

**Risk of call extension:** some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the authority supervising the issuer.

**Risk of conversion:** The conversion will aim to convert the bondholders into shareholders, who are always last creditors in line. The trigger event of contingent convertible securities is often a breach in capital requirements or when the competent regulatory authority deems that the issuer is approaching the point of non-viability. The conversion may thus occur in unfavourable times and lead to potential loss of value and risk of liquidity (see below). In case of conversion, it is difficult to predict how the equity securities will behave. The conversion trigger may generate forced sales or distress sales by the holders that would drive down the price of the equity securities.

**Risk related to the trigger threshold:** each instrument has its own characteristics. The level of conversion risk may vary, for example the amount of common equity Tier 1 (CET1) required may differ from the trigger level set forth in the issuance. The trigger may be a loss in capital or an increase in risk weighted assets. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt.

**Risk of loss of coupon:** Certain contingent convertible bonds which qualify as AT1 must be issued as a perpetual instrument whose coupon payments (distributions) are discretionary and may be cancelled by the issuer at any time for any reason and for an indefinite period. In case of cancellation, this increases uncertainty in the valuation of the instrument.

**Risk of inversion of the capital structure:** unlike conventional capital hierarchy, under certain circumstances, investors in contingent convertible securities may bear a loss greater than that of shareholders, This may be the case when a trigger threshold is set at high level.

**Risk of non-exercise of the repayment option by the issuer:** Certain contingent convertible securities can be issued as perpetual instruments (AT1 contingent convertible bonds), callable at predetermined levels only with the approval of competent authority. Thus investors may not

be able to recover their capital on the optional reimbursement dates set forth in the terms of issue.

**Risk of industry concentration:** contingent convertible securities are mainly issued by large banking institutions. The Fund may thus be susceptible of loss due to adverse occurrence affecting that industry.

**Risk of liquidity:** in case contingent convertible securities are converted into equity, the sale of the newly converted equities may potentially encounter a liquidity crunch as the market would be flooded with such equity securities. For further information on liquidity risk in general, please see **Section 2.21 (Liquidity Risk)**.

**Risk linked to the complexity of the instrument:** As these instrument are relatively recent and their structure innovative, their behaviour during a period of stress and testing of conversion levels may be highly unpredictable.

**Yield/Valuation risk:** the attractive return on this type of instrument may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity and risk premium.

**Risk of write-down:** many contingent convertible securities are issued with the possibility to completely or partially write down the debt upon the occurrence of the trigger event. This means that the Fund may risk losing all or part of its investments.

## 2.7 CONVERTIBLE SECURITIES RISK

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted into stock within a specified period of time. The value of convertibles securities may rise and fall with the market value of the underlying stock or vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform like a stock when the underlying stock price is high relative to the conversion price (the option to convert is less valuable). The value of a convertible security can vary depending of many factors but it is not as sensitive to interest rate changes as a non-convertible debt security, because it has less potential for gain or loss than the underlying stock.

## 2.8 COUNTERPARTY RISK

A Sub-Fund may enter into transactions on OTC markets, which will expose such Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

## 2.9 CREDIT RISK

Credit risk is inherent to all fixed income securities and money market instruments. Credit risk is the risk that an issuer fails to pay principal or interest due on such securities and money market instruments. The credit risk can be measured according to the creditworthiness of the issuer. Generally government securities are considered with a lower credit risk than corporate debt. Changes in the financial conditions of the issuer, in economic and political conditions, whether general or specific to the issuer as well as downgrades in ratings provided by credit rating agencies (e.g. Standard & Poor's, Moody's and Fitch) may have an adverse impact on the issuer's credit quality and then the securities it issues.

## **2.10 DIVIDENDS DISTRIBUTION RISK**

The Sub-Fund may issue capitalisation Shares or distribution Shares. In this latter case, the Fund intends to distribute dividends. However the Fund may depend on payments it receives from its investments in order to make distribution of dividends to Shareholders. Investments may not generate regular income and only proceeds from their sale may be available for distribution to Shareholders.

Dividends may further be paid out of capital. Where Shareholders are subject to lower tax rates on capital gains than on dividends, the distribution Shares may be less tax efficient in certain countries than capitalisation Shares. Investors should consult their own tax advisors.

## **2.11 EMERGING MARKETS RISK**

Investments in emerging markets involve increased risks which may include investment and repatriation restrictions, currency fluctuations, unusual market volatility, government control and participation in the private sector, limited investor information or less extended disclosure requirements, shallow and substantially smaller liquid securities markets than in more industrialised countries, certain local tax considerations, limited regulations of the securities markets, international and regional political and economic developments, possible imposition of exchange controls of other local governmental laws or restrictions, increased risk of adverse effects from deflation and inflation, limited legal recourse for the Fund and custodial and/or settlement systems not fully developed.

## **2.12 EQUITY SECURITIES RISK**

The value of Sub-Funds that invest in equity and equity related securities can be affected by micro and macro factors such as economic, political, market and issuer-specific changes. Such changes may adversely affect the value of the equity securities without any correlation to the company specific performance. The risks that the value of one or more companies in the portfolios of a Sub-Fund falls can adversely affect the overall portfolio performance of a Sub-Fund.

## **2.13 FINANCIAL DERIVATIVE INSTRUMENTS RISK**

The Fund and each Sub-Fund may invest, directly or indirectly, in all kind of financial derivative instruments (including warrants, options, futures, forward contracts and swaps) that are highly volatile and speculative. Financial derivative instruments may involve different risks and possibly greater risks than those associated with securities and traditional instruments. Certain positions may be subject to wide and sudden fluctuations in market value with a resulting fluctuation in the amount of profits and losses. As a result, a relatively small price movement in an instrument may result in immediate and substantial losses for the Shareholders. In



addition, trading securities on margin will result in interest charges to the Fund which may be substantial. Thus, any purchase or sale on a leveraged security or financial derivative instrument may result in losses in excess of the amount invested. Financial derivative instruments are subject to liquidity risk, interest rate risk, market risk and default risk. They also involve the risk of improper valuation and the risk that the changes in the value of the financial derivative instrument may not correlate perfectly with the underlying asset, rate or index.

#### **2.14 FIXED INCOME SECURITIES RISK**

Sub-Funds that invest in debt securities are subject to credit and interest rate risks and the additional risks associated with high yield debt securities, loan participations and financial derivative instruments. Fixed income securities may be subject to price volatility due to for instance interest rate fluctuations, market perception of the creditworthiness of the issuer and general market liquidity. An increase of interest rates will generally reduce the value of fixed income securities and conversely. The performance of the Sub-Funds will depend partially on the ability to anticipate and respond to the market interest rates fluctuations and to use the appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

#### **2.15 FOREIGN CURRENCY RISK**

The Fund may in principle invest in many countries and in assets denominated in a wide range of currencies. The Fund and its Sub-Funds may have distinct Reference Currencies than the currency in which assets are acquired. Foreign currency exchange rate fluctuations and local currency devaluation may have a material adverse effect on the value of the Fund's assets and the Shares.

Such risks are likely to be inexistent or more limited if the investment policy of a Sub-Fund is restricted to investments in a geographic area where the same currency than the Reference Currency of the Sub-Fund and the Fund is used.

#### **2.16 HEDGED STRATEGIES RISK**

To cover the foreign currency risk, the Fund may seek to hedge against a decline in the value of the Fund's assets expressed in a currency other than the Reference Currency of the Sub-Funds. However no assurance can be given that hedging techniques may be sufficient or efficient to cover or mitigate such risks.

#### **2.17 HEDGED SHARE CLASSES RISK**

Shareholders investing in a Share Class denominated in a Reference Currency other than the Reference Currency of the Sub-Fund may suffer exchange rate fluctuations which could cause the value of their investment to diminish or increase. The Fund may seek to cover the foreign currency risk for such Share Class by using hedging techniques.

Investors should be aware that the hedging strategy employed by the Fund will not, and should not be expected to, completely eliminate the exposure of Hedged Share Classes to currency fluctuations. Among other things, because the Net Asset Value of the Sub-Funds will fluctuate over time and the Net Asset Value of the Sub-Funds and the corresponding hedged amounts

are calculated and adjusted only periodically, any currency risk related to changes in the Net Asset Value of the Sub-Funds that is not determined or reflected at the time financial derivatives instruments are entered into will remain unhedged. Furthermore, the use of hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting with respect to favourable currency fluctuations in relation to the Reference Currency of the relevant Sub-Fund/Share Class. All costs and gains/losses of hedging transactions are borne by the Shareholders of the respective Hedged Share Classes.

## **2.18 INVESTMENT FUNDS RISK**

A Sub-Fund investing substantially in other funds may be directly impacted by the performance of such funds and therefore the ability of the Sub-Fund to meet its investment objectives will largely depend on the ability of the invested funds. The investment by a Sub-Fund in target UCIs may result in a duplication of some costs and expenses *i.e.* setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees, auditing and other related costs. For Shareholders of the said Sub-Fund, the capitalisation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the said Sub-Fund if the latter had invested directly in the underlying securities. The Sub-Fund may face liquidity risks (i) if the UCIs in which it invests face liquidity issues or suspend redemption requests or (ii) if the holding in such UCIs cannot be resold.

## **2.19 INVESTOR PROFILE RISK**

Each Sub-Fund terms describe an Investor profile which is only for indicative purposes. Investors should consider their own personal circumstances, financial capacities, investment objectives and aversion to risk and consult their own advisor before investing into Shares.

## **2.20 LEGAL AND REGULATORY RISK**

The Fund must comply with many legal requirements in various jurisdictions, which are subject to change and may materially affect the Fund's activity.

A participation in the Fund may further involve complex tax considerations, which may differ for each Investor. Changes in tax legislation in any country in which the Fund invests or in tax treaties negotiated with Luxembourg and other jurisdictions, could adversely affect the returns of the Fund (and consequently of the Shareholders) or the level and base of taxation of the Fund.

## **2.21 LIQUIDITY RISK**

Liquidity risk is twofold and concerns both the asset and the liability side. On the asset side, the liquidity risk refers to the inability of the Fund to sell a security or position at its quoted or market value due to adverse market conditions in general (e.g. suspension of trading activity on a market) or a sudden change in the perceived value or creditworthiness of the position. On the liability side, liquidity risk refers to the inability of the Fund to meet a redemption request, due to insufficient cash and the inability of the Fund to quickly sell securities or investments to provide cash flows. Reduced liquidity of assets may have an adverse impact on the value of the assets, and therefore of the Fund, and as a consequence may further

impact the liquidity of the liability side and impede the Fund to meet its redemption requests in a timely manner.

## **2.22 MARKET RISK**

The activity and performance of the Fund may be affected by general economic and market conditions.

## **2.23 NON-INVESTMENT GRADE OR LOW RATED SECURITIES RISK**

Non-investment grade and low rated securities tend to be less liquid. They may have a higher risk of default and may be more difficult to value. Non-investment grade and low rated securities usually provide a higher yield than investment grade securities, but with the higher return comes greater risk of default. Non-investment grade and low rated securities are considered speculative, and their capacity to pay principal and interest in accordance with the terms of their issue is not ensured.

## **2.24 REDEMPTION RESTRICTIONS RISK**

Under certain circumstances, redemption of Shares may be suspended in some or all the Share Classes and/or Sub-Funds. For further information, please see **Part I, Section 4.4 (Redemptions of Shares)**.

## **2.25 TRADING RISK**

Substantial risks are involved in the trading of securities. Market movements can be volatile and are difficult to predict. Government policies, particularly those of the US Federal Reserve Board and the European Central Bank, can have a profound effect on interest rates which, in turn, substantially affect securities prices as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have a significant impact on the price of securities. More particularly, like other bonds, the values of zero coupon bonds move inversely to the movement of interest rates; bond values will increase as interest rates decline and bond values will decrease as interest rates increase.

Various techniques are employed to attempt to reduce the risks inherent in the trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains as the techniques employed on behalf of the Fund cannot always be effective in reducing losses. The activities undertaken by the Fund may involve a degree of leverage. Accordingly, a relatively small price movement may result in substantial and immediate losses in excess of the amount committed by the Fund. At various times, the markets for exchange-listed securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular securities exchange or exchanges.

## **2.26 SUSTAINABILITY RISK**

An environmental, social, or governance event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment arising from an adverse sustainability impact.

The Fund does not currently have a Sustainability Risk Integration Policy in the investment decision-making process. However, it is working on the development of a policy to integrate sustainability risks into its investment decision-making process.

### 3 MANAGEMENT AND ADMINISTRATION

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#### 3.1 BOARD OF DIRECTORS

The Fund is managed by a Board of Directors which is composed of the Directors listed in the **Introduction, Section 3.2 (Board of Directors)**. The Directors are appointed by the General Meeting for a maximum period of six (6) years. The General Meeting may remove a Director at any time without a cause (*ad nutum*).

The Board of Directors is responsible for the Fund's management, as well as administration of the Fund's assets and distribution of the Shares and the determination of the investment objectives and policies of each Sub-Fund.

The Board of Directors may decide to launch any new Sub-Fund or Share Class or liquidate any of them at any time in accordance with **Part I, Section 1.2 (Investment policies)**.

Directors are entitled to receive remuneration in accordance with usual market practice which is submitted to the approval of the General Meeting each year.

#### 3.2 MANAGEMENT COMPANY

The Board of Directors has delegated to the Management Company the day-to-day management of the Fund, which includes the portfolio management, the administration and the marketing of the Fund and its Sub-Funds.

The Management Company has been incorporated in Luxembourg as a public limited company (*société anonyme*) under the name MC Square SA on 17.10.1988 for an unlimited period of time. The Management Company will ensure at all times that its share capital complies with article 102 of the UCI Law.

It is managed by directors who are at the date hereof disclosed in Part **Introduction, Section 3.3 (Management Company)**. The board of directors of the Management Company has delegated the day-to-day management to the conducting officers, disclosed in Part **Introduction, Section 3.3 (Management Company)**.

The list of other UCITS managed by the Management Company is available on its website: [www.mcsquare.lu](http://www.mcsquare.lu).

The Management Company may delegate all or part of its functions subject to the provisions of the Circular 18/698. Such delegations do not affect the liability of the Management Company.

The Management Company shall report to the Board of Directors at least on a quarterly basis on its management activities.

### 3.2.1 Investment Managers

The Management Company may appoint third parties Investment Managers and delegate to them the day-to-day asset management of one or more Sub-Funds, subject to the prior approval of the CSSF.

Investment Managers must be entities authorised or registered for such purpose and must be subject to permanent prudential supervision by an authority set up by law with the aim of protecting investors.

The names and details of the Investment Manager(s) (if any) for each Sub-Fund are disclosed in **Part III**.

### 3.2.2 Investment Advisors and Sub-Investment Advisors

The Management Company or the Investment Managers (if any) may further appoint one or more Investment Advisors, capable of providing support and competence in the investment strategies of one or more Sub-Funds. The role of the Investment Advisors is to advise and recommend on potential investment opportunities and on the implementation of the investment policy of one or more Sub-Funds. The Management Company or the relevant Investment Manager, if any, shall remain the sole entity responsible to take decisions about all investment opportunities, including those that may be submitted by the Investment Advisors.

Equally, Investment Advisor(s) may appoint in turn one or more Sub-Investment Advisor(s) at its sole discretion, under its responsibility and at its own costs, subject to the same requirements. Such Sub-Investment Advisor may be specialist asset management companies with an expertise and experience in particular markets.

The names and details of the Investment Advisor(s) and/or Sub-Investment Advisor(s) (if any) for each Sub-Fund may be disclosed in **Part III**.

### 3.2.3 Central Administrative Agent

The Management Company has appointed, with the prior consent of the Fund, Banque de Patrimoines Privés as the Fund's central administrative agent for the provision of administrative agency and registrar and transfer agency services, pursuant to a novation agreement dated 9 December 2021.

In providing administrative services, Banque de Patrimoines Privés is responsible for the administration of the Fund and in particular for the determination of the Net Asset Value of the Shares and for the maintenance of accounting records.

Banque de Patrimoines Privés is a credit institution which was incorporated in Luxembourg as a *société anonyme* and subject to the prudential supervision of the CSSF. It has its registered office at 30, boulevard Royal, L-2449 Luxembourg. Banque de Patrimoines Privés provides *inter alia* fund administrative and registrar and transfer agency services for investment funds.

As Central Administrative Agent of the Fund, Banque de Patrimoines Privés is responsible for the general administrative function of the Fund, for calculating the Net Asset Values of the Fund, the Sub-Funds and the Share Classes, for maintaining the accounting records of the Fund and for preparing the Annual Reports and Semi-Annual Reports of the Fund. Banque de Patrimoines Privés is further in charge of the registrar and transfer agency function which includes processing the issue, redemption, conversion, transfer and cancellation of Shares, maintaining up-to-date the Share Register, identifying, verifying the identity of Shareholders in accordance with anti-money laundering laws and verifying the eligibility of Shareholders.

#### **3.2.4 Distributors**

The Management Company may use one or more Distributors for the purpose of selling and marketing the Shares. Distributor may be appointed for the distribution of one or more Sub-Fund.

### **3.3 DEPOSITARY AND PAYING AGENT**

#### **3.3.1 Identity of the Depositary**

The Fund has appointed Banque de Patrimoines Privés as the Depositary and paying agent of the Fund as from the date of incorporation of the Fund. Banque de Patrimoines Privés is a credit institution which was incorporated in Luxembourg as a *société anonyme* and subject to the prudential supervision of the CSSF. It has its registered office at 30, boulevard Royal, L-2449 Luxembourg.

The replacement of the Depositary is subject to a prior notice of three (3) months and the prior approval of the CSSF. The Depositary's duties may further cease in the cases foreseen by article 36 of the UCI Law.

#### **3.3.2 Description of duties and conflicts of interests**

Further to the recommendation of Circular 14/587, the Depositary agreed to fulfil all operations concerning the day-to-day administration of the Fund's assets in its custody, i.e. collect dividends, interest and securities due, exercise rights over securities and any other operations of the day-to-day administration of securities and liquid asset.

The Depositary ensures that (i) the subscriptions, issue, repurchase, redemptions and cancellation of Shares are carried out in accordance with the UCI Law and the Articles, (ii) the value of Shares is calculated in accordance with the UCI Law and the Articles, (iii) it carries out the instruction of the Fund, in accordance with the applicable national law and the Articles, (iv) in transactions involving the assets of the Fund the consideration is remitted to it within the usual time limits and (v) the income of the Fund is applied in accordance with the UCI Law and its Articles.

In addition, the Depositary will ensure that cash flows of the Fund are properly monitored and in particular that all payment related to subscriptions of Shares and cash received by the Fund are booked in cash accounts that are (i) opened in the name of the Fund or in its behalf by the Management Company or the Depositary, (ii) opened at an Eligible Entity and (iii) maintained in accordance with article 16 of Directive 2006/73/EC.

The Depositary is responsible for safekeeping all the assets of the Fund, which involves that the Depositary shall:

- hold in custody (i) all financial instruments that can be registered in a segregated account opened in its books in the name or on behalf of the Fund and (ii) all financial instruments that can be physically delivered to it; and
- verify the ownership by the Fund of all other assets and maintain an up-to-date record of those other assets.

In carrying out its duties, the Depositary must act in the sole interest of the Shareholders. The Depositary is liable vis-à-vis the Fund and the Shareholders for any loss suffered by them as a result of its unjustifiable failure to perform, or improper performance of, its obligations. In case of loss of a financial instrument held in its custody, the Depositary will return an identical type of financial instrument or the corresponding amount to the Fund without undue delay, unless such loss arises as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall not carry out activities with regard to the Fund or the Management Company on behalf of the Fund that may create conflicts of interest between the Fund, the Investors, the Management Company and itself, unless it has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks for the Fund and the potential conflicts of interest are properly identified, managed, monitored and disclosed to investors of the Fund. To that end, the Depositary has functionally and hierarchically separated from its depositary tasks from other tasks performed for the Fund (including the provision of domiciliary and corporate agency services; trading and brokerage services). The Depositary has neither decision-making power nor any obligation to counsel regarding the investments and the assets of the Fund.

In addition, the Depositary and the Management Company have established and implemented a conflict of interests' policy that aims to identify, monitor and manage conflicts of interests, namely:

- either through permanent measures in place to manage conflicts of interests, such as the separation of responsibilities; or
- via a management on a case by case basis to ensure that the transactions are at market conditions, or to refuse to carry out the activity giving rise to the conflicts of interests.

Each of the Depositary and the Management Company holds a conflict of interests register which is updated on a regular basis and made available upon request during business hours and Luxembourg Business Days at the registered office of the respective entities.

### **3.3.3 Description of the safekeeping functions delegated, list of delegates and sub-delegates and conflicts of interests**

The Depositary may delegate its safekeeping duties to third parties in respect of all or part of the Fund's assets but its liability is not affected by the delegation. The Depositary must inform in advance the CSSF of any delegation of its safekeeping duties and shall demonstrate an objective reason for the delegation. The Depositary will exercise all due skill, care and diligence in the selection and appointment of its delegates, and perform their periodic review and ongoing monitoring.

The Depositary has delegated all its safekeeping functions in respect of all financial instruments of the Fund that can be registered in a segregated account opened in its books. At the date of this Prospectus, the Depositary has not delegated other safekeeping functions as financial instruments physically delivered and other type of assets are not relevant for the Fund.

At the date of the Prospectus, the Depositary declared that no conflicts of interests have arisen from the delegation of its safekeeping functions. The Depositary carries out an initial due diligence and annual ongoing due diligences on its delegates. The delegates are selected based on quality criteria with regard to professional competence, good repute and financial standing. In case a conflict of interests arise from the delegation of its safekeeping function, the Depositary will (i) terminate the delegation in place, if the relationship with the delegates already started or (ii) not enter into a business relationship with the delegate with whom there is a potential conflict of interests.

The list of delegates and sub-delegates provided by the Depositary for the Fund's assets at the date of this Prospectus is available on the Management Company's website, within the section dedicated to the Fund and under the name "Depositary List of Delegates and Sub-Delegates" at: [www.mcsquare.lu](http://www.mcsquare.lu).

Updated information regarding the Depositary, the list of delegates and sub-delegates of the Depositary and to the extent the relationship is not yet terminated, the conflicts of interests that may arise from such delegation is made available to Investors and Shareholders upon request to the Fund or its Management Company and to the Depositary.

### **3.4 DOMICILIARY AGENT**

The Fund has also appointed Banque de Patrimoines Privés as Domiciliary Agent which provides *inter alia* a registered office to the Fund, corporate secretarial services as well as other services described in the services agreement.

## **4 DEALING WITH SHARES**

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### **4.1 PRELIMINARY INFORMATION**

#### **4.1.1 Late Trading and Market Timing**

The Fund determines the price of the Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value at which Shares will be redeemed or subscribed.

The Sub-Funds are not intended for Investors with extremely short-term investment horizons. Activities which may adversely affect the interests of the Shareholders (for example which disrupt investment strategies or impact expenses) such as Market Timing and Late Trading or the use of the Fund as an excessive or short term trading vehicle are not permitted. The Circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing has fixed general rules of conduct to prevent such practices. The Fund draws the attention of Shareholders that it will control and prevent such practices.



Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, if the Fund determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel or reject any subscription or conversion applications from Shareholders and Investors suspected from being engaged, or who are engaged, in Market Timing and Late Trading activities and may take any action or measures as appropriate or necessary to protect the interest of the Fund and its Shareholders.

Any person who knowingly undertakes or supports Late Trading or Market Timing practices may be reported to the CSSF and may incur sanctions and/or may have to indemnify the damages caused to the Fund.

#### **4.1.2 Money Laundering and Terrorism Financing Prevention**

Luxembourg laws and regulations impose certain obligations on professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. Reference is made in particular to the Luxembourg law of 12 November 2004 and to the CSSF Regulation 12-02 of 14 December 2004 on the fight against money laundering and financing of terrorism.

##### **4.1.2.1 Identification of Investors**

As a result of such laws and regulations, the Central Administrative Agent and the Distributors (if any) have implemented a procedure to identify Shareholders and Investors and ascertain and verify their identity, as well as those of their economic beneficial owners. Such requirements apply both in case of direct subscription and in case of indirect subscription through an intermediary or nominee.

The Central Administrative Agent and the Distributors may thus require Investors and Shareholders to provide any information or documents (such as the source of wealth, certified translation), they deem necessary. In case of delay or failure by an Investor or Shareholder to provide the information or documents required, the application for subscription (or, if applicable, for another transaction on Shares) will not be accepted. Neither the Fund, the Central Administrative Agent nor the Distributors shall have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders or Investors may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements.

<p><b>Shareholders and Investors must promptly inform the Central Administrative Agent or the relevant Distributor of any material change to their personal details and any change in the beneficial owner of the Shares they own.</b></p>
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##### **4.1.2.2 Origin of sums**

The Depositary will control the origin of any sums received by the Fund in accordance with applicable laws and may request any additional information to accept the receipt of, or proceed to, any payment, by or for the Fund.

#### **4.1.3 Subscription through Nominee**

Investors may subscribe to Shares through a nominee which shall be an agent duly authorised by the Fund complying with the requirements of, or requirements equivalent to, Luxembourg law on combating money laundering and the financing of terrorism. Nominees must ensure that Investors are eligible to the Share Class in which they invest and shall keep the relevant evidences in that respect.

A nominee may act in its own name but on behalf of Investors in respect of any transaction on the Shares and may thus be registered as Shareholder in the Share Register. Nominees keep their own register in respect of the Shares held on behalf of each Investor. The use of nominee services may give rise to additional banking or management fees which shall be supported by the Investor using the nominee. Unless local laws prevent it, the use of nominee services is not mandatory and any Investor may subscribe Shares in his own name.

**Finally, the Fund draws the Investors' attention that he will only be able to fully exercise his Investor's rights directly against the Fund, notably the right to participate in General Meetings of the Fund, a Sub-Fund or Share Class, if the Investor is himself registered in his own name in the Share Register or if he has a proxy granted by the registered Shareholder. In cases where an Investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the Investor, it may thus not always be possible for the Investor to exercise certain Shareholder's rights directly against the Fund. Investors are recommended to seek advice on their rights.**

#### **4.1.4 Transactions through an intermediary**

Investors should note that they might be unable to place any order in respect of the Shares through an intermediary (e.g. nominee, Distributor) on days that such intermediary is not open for business. Orders will be deemed to be received prior to the Cut-Off Time if such orders are effectively been received by the Central Administrative Agent prior to the Cut-Off Time. The Central Administrative Agent may in accordance with the Circular 04/146 accept orders that have been effectively transmitted by the Investor before the Cut-Off Time to an intermediary in charge of marketing and then transmitted to the Central Administrative Agent within a reasonable timeframe after the Cut-Off Time.

## **4.2 SUBSCRIPTION FOR SHARES**

### **4.2.1 Subscription Procedure**

Each Sub-Fund may continuously offer Shares for subscription and suspend at any time the offer of Shares in respect of one or more Share Class or Sub-Funds.

Investors who are not Prohibited Person may subscribe to Shares on each Valuation Day by sending to the Central Administrative Agent or to a Distributor a duly completed and signed Subscription Form enclosing all the documentation required by the Fund.

The Fund reserves the right to reject, at any time, in whole or in part, any subscription without giving any reason, in its absolute discretion without liability and without notice. The Fund may impose or waive any restriction that applies to a Sub-Fund or Share Class as it may think necessary. If any subscription is not accepted in whole or in part, the corresponding

Subscription Price or the balance outstanding will be returned without delay to the Investor at its risks without any interest, subject to any restrictions under applicable law.

The Fund recognizes only one holder per Share. In case of joint-owners, the Fund may suspend the exercise of any right deriving from the relevant Shares until one person has been designated as representative of the joint owners towards the Fund.

The Subscription Form must be received by the Central Administrative Agent before the relevant Cut-Off Time applicable to each Sub-Fund (disclosed in **Part III**) to be processed at the relevant Valuation Day and at the Net Asset Value per Share determined on such Valuation Day. Any subscription received by the Central Administrative Agent after the Cut-Off Time will be processed on the following Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

#### **4.2.2 Eligible Investors**

The Board of Directors has the power to impose or relax such restrictions on any Sub-Fund or Share Class (other than restrictions on transfer of Shares) but not necessarily on all Share Classes within the same Sub-Fund, as it may deem necessary for ensuring that no Shares are acquired or held by a Prohibited Person. As the Fund is not registered under any applicable law in the United States of America, the Shares cannot be offered or sold, directly or indirectly, to US Persons in the United States of America or its territories, possessions or areas subject to its jurisdiction.

Certain Sub-Funds or Share Classes may be restricted to Institutional Investors only, as disclosed in **Part III**.

Accordingly the Fund may require any Investor to provide it with any information that it may consider necessary for determining his/her eligibility.

#### **4.2.3 Minimum Investment, Subscription Price, Subscription Fee and other taxes**

A minimum initial and subsequent investment in the Shares may apply and differ for each Sub-Fund/Share Class and are disclosed in **Part III** for each Sub-Fund.

The Subscription Price is the sum of the Share Price and the Subscription Fee, if any. In calculating the Subscription Price, the Fund will round it down to four decimal places, the Fund being entitled to receive the adjustment. Shares are issued up to four decimals (**see Part I, Section 1.2 (The Shares)**).

During the initial subscription period, the Share Price of each Share will be equal to the initial price set out in **Part III** for each Share Class. Thereafter, the Share Price of the Shares subscribed will be equal to the Net Asset Value of the Shares on the relevant Valuation Day.

In addition, Investors may have to pay a Subscription Fee to the benefit of the party disclosed in **Part III** for each Sub-Fund. The Subscription Fee may be waived in whole or in part by the relevant beneficiary in favour of one specific Investor or group of Investors.

Any taxes, commissions and other fees incurred in the respective countries in which the Shares are sold will also be charged to the Investors.

#### **4.2.4 Payment Procedure**

The Fund will not accept any payment from another person than the registered Shareholder.

##### **4.2.4.1 Payment in cash**

Payment for Shares must be received by the Depositary in the Reference Currency of the relevant Share Class or, failing that, Sub-Fund no later than the period specified in **Part III** for each Sub-Fund.

Payment instructions are included in the Subscription Form.

##### **4.2.4.2 Payment in kind**

The Fund may accept, at its sole discretion, payment in kind for subscription of Shares, provided that it consists in eligible assets complying with the investment policy and restrictions of the relevant Sub-Fund and with the conditions set forth by Luxembourg law for a contribution in kind, in particular article 26-1 of the Company Law which may require a valuation report of an approved auditor (*réviseur d'entreprise agréé*) appointed by the Fund. Any costs incurred in connection with such contribution in kind (including audit report costs, if any), will be borne by the Investor willing to pay the Shares by a contribution in kind or a third party, unless otherwise agreed with the Fund if the subscription in kind is in the interest of the Fund and its Shareholders, in which case all or part of such costs will be borne by the relevant Sub-Fund.

##### **4.2.4.3 Late payment**

If timely payment for Shares is not made (or a completed Subscription Form is not received), the relevant issue of Shares may be cancelled, and the subscriber may be required to compensate the Fund and/or any relevant Distributor for any loss incurred in relation to such cancellation.

#### **4.2.5 Notification of shareholding**

A confirmation statement will be sent to the Shareholders after the relevant Valuation Day by ordinary mail, fax, swift or other durable medium, as soon as reasonably practicable after the relevant Valuation Day, providing full details of the subscription. Shareholders should always check this statement to ensure that the transaction has been accurately recorded.

#### **4.2.6 Account Number**

Shareholders will be given a personal Account Number on acceptance of their initial subscription which, together with his/her personal details, serve as evidence of his/her identity. The Account Number should be used by the Shareholder for all future dealings with the Fund and its agents. Any loss of Account Number must be notified immediately either to the Central Administrative Agent or to the relevant Distributor, in writing. Failure to do so may result in the delay of an application and payment of an administrative fee.

### **4.3 TRANSFER OF SHARES**

Shares are freely transferable to any person other than a Prohibited Person with the prior consent of the Fund, provided that the specific conditions applicable to a Sub-Fund or Share Class are complied with (e.g. minimum subscription, eligibility requirements). If a partial transfer of Shares results in a holding balance being less than the minimum holding requirement, the Fund may redeem such Shares at their last Net Asset Value.

A transfer of Shares will only be effective upon its registration in the Share Register. The Fund may only accept to record a transfer of Shares upon receipt of satisfactory documents evidencing such transfer and any other documents or information, as it deems fit. Any transferee (and its beneficial owner) is subject to the same identification process than any other Investor (see **Part I, Section 4.1.2.1 (Identification of Investors)**). Any costs incurred in connection with a transfer of Shares shall be borne by the transferee, unless otherwise agreed.

Upon the death of a Shareholder, the Fund may require to be provided with appropriate legal documentation in order to verify the rights of any successors in title to the Shares of the deceased Shareholder. Any successor will be subject to the same identification process than any other Investor (see **Part I, Section 4.1.2.1 (Identification of Investors)**).

#### 4.4 REDEMPTIONS OF SHARES

Shares may be redeemed in whole or in part on any Valuation Day at the Redemption Price. The Shares redeemed will be cancelled in the Share Register on the relevant Valuation Day.

##### 4.4.1 Procedure for Redemption

Shareholders may redeem all or part of their Shares on each Valuation Day by sending to the Central Administrative Agent a Redemption Form duly completed and signed by the Shareholder of the redeemed Shares or his/her valid proxy/attorney. The Redemption Form must be received before the relevant Cut-Off Time applicable to each Sub-Fund (disclosed in **Part III**) to be processed at the Net Asset Value per Share determined on the relevant Valuation Day. Any redemption received by the Central Administrative Agent after the Cut-Off Time will be processed on the following Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

Subject to the provisions of **Part I, Section 4.4.5 (Temporary suspension of redemption)**, applications for redemption will be considered as binding and irrevocable by the Fund.

##### 4.4.2 Redemption Price, Redemption Fee and other taxes

The Redemption Price of any Share may be higher or lower than the Subscription Price paid by the Shareholders depending on the Net Asset Value per Share at the time of redemption.

The Redemption Price is equal to the Share Price at the relevant Valuation Day less any Redemption Fee. In calculating the Redemption Price, the Fund will round it down to four decimal places, the Fund being entitled to receive the adjustment.

In case of voluntary redemption, the Share Price will be equal to the Net Asset Value of the Shares redeemed.

Shareholders may have to pay a Redemption Fee, whose amount and beneficiary is disclosed in **Part III** for each Sub-Fund. The Redemption Fee may be waived in whole or in part by the relevant beneficiary in favour of one specific Shareholder or group of Shareholders.

Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will also be charged to the redeeming Shareholder.

#### **4.4.3 Payment procedure**

Payment for Shares redeemed will be effected no later than three (3) Luxembourg Business Days after the relevant Valuation Day for all Sub-Funds. The Fund will ensure that each Sub-Fund has sufficient liquidity to satisfy redemption of Shares. However the Fund may extend such period in case it faces liquidity or legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Fund, which make it impossible or impracticable to pay the Redemption Price.

The Fund may further proceed to the payment in kind of the Redemption Price to Shareholders who so agree, by allocating them, on a fair and reasonable basis, assets of the Sub-Fund concerned taking into account the interests of the Fund and other Shareholders in the relevant Sub-Fund. Any costs incurred in connection with such redemption in kind (including audit report costs, if any), will be borne by the redeeming Shareholder concerned, unless otherwise agreed with the Fund taking into account the interest of the Fund and its Shareholders.

Payment for Shares redeemed will be effected in the relevant Reference Currency of the Share Class, or failing that Sub-Fund.

Payments can only be made to a bank account held in the name of the redeeming Shareholder and subject to any other anti-money laundering and terrorism financing restrictions.

#### **4.4.4 Notification of Holding**

A confirmation statement will be sent to the redeeming Shareholder by ordinary mail, fax, swift or other durable medium detailing the Redemption Price due thereto after determination of the Share Price of the Shares being redeemed, as well as the balance of Shares held upon redemption. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

#### **4.4.5 Temporary suspension of redemption**

The Fund may further suspend the redemption of Shares if the Fund faces liquidity issues (despite the risk management process in place to mitigate the liquidity risk) or if the redemptions may otherwise adversely affect the interest of the Fund or its Shareholders, and in particular:

- (i) during any period in which the determination of the Net Asset Value per Share is suspended by the Fund; and
- (ii) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares in such Sub-Fund or during which any transfer

of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange.

Notice of the suspension period will be given to all Shareholders tendering Shares for redemption. Shareholders may withdraw their redemption order until the end of the suspension period. Withdrawal of a redemption application will only be effective if it is received in written by the Central Administration before the termination of the suspension period, failing which, the Shares will be redeemed on the Valuation Day following the end of the suspension period on the basis of the Net Asset Value determined on such Valuation Day.

#### 4.4.6 Compulsory Redemption

The Fund may proceed, at its sole discretion and without liability to, the compulsory redemption of all or part of the Shares issued if it is in the interest of the Fund and in particular:

- a) at the Net Asset Value (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which the decision to redeem takes effect in the instances described in **Part II, Section 8.2 (Liquidation of a Sub-Fund)**; or
- b) at the Net Asset Value determined on the date of the redemption notice in accordance with article 11 of the Articles after giving notice of at least thirty (30) calendar days, if the Shares are held by, or on behalf of a Prohibited Person, either alone or conjointly with any person, whether directly or indirectly.

#### 4.5 CONVERSION OF SHARES INTO SHARES OF ANOTHER SHARE CLASS OR SUB-FUND

##### 4.5.1 Procedure for conversion

Conversion of Shares in a given Sub-Fund or Share Class into Shares of another Sub-Fund or Share Class may be permitted, upon approval of the Board of Directors.

Shareholders may request conversion of all or part of their Shares by sending to the Central Administrative Agent a duly completed and signed form. The form must be received before the earliest Cut-Off Time applicable to each Sub-Fund or the date and time disclosed in **Part III** to be processed at the relevant Valuation Day. Any conversion received by the Central Administrative Agent after the Cut-Off Time will be processed on the following Valuation Day.

##### 4.5.2 Conversion ratio, Conversion Fee and other taxes

No conversion fee applies, unless a conversion fee is disclosed in **Part III**. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will also be charged to the Shareholder converting his Shares.

The minimum holding requirements for a Sub-Fund or Share Class are not applicable in case of conversion.

The number of the Shares to be allocated in the Converted Sub-Fund or Converted Share Class is determined according to the following formula:

$$\text{Nb of Shares in Converted Sub-Fund/Share Class} = [\text{Nb of Shares in Converting Sub-Fund/Share Class} \times \text{NAV per Share of Converting Sub-Fund/Share Class} \times \text{exchange rate between the Reference Currency of the Converting Sub-Fund/Share Class and the Converted Sub-Fund/Share Class}] \div \text{NAV per Share of Converted Sub-Fund/Share Class}$$

The Net Asset Values taken into account for the above calculation are those determined on the relevant Valuation Day. In calculating the number of Shares in the Converted Sub-Fund/Share Class, the Fund will round it down to four decimal places, the Fund being entitled to receive the adjustment.

There is no equalisation charge.

#### 4.5.3 Notification of Holding

A confirmation statement will be sent to the converting Shareholder by ordinary mail, fax, swift or other durable medium detailing the number of Shares obtained in the Converted Sub-Fund or Converted Share Class by conversion and the price thereof. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

#### 4.6 POSTPONEMENT OF REDEMPTIONS AND CONVERSIONS REPRESENTING 10% OR MORE OF THE NAV OF ANY SUB-FUND

If the Fund determines that it would be detrimental to the interests of the Shareholders to accept conversions or redemptions for Shares in any Sub-Fund that represents, either singly or aggregated, more than 10% of the net assets of such Sub-Fund in respect of any Valuation Day, then the Fund may, in its sole and absolute discretion and without liability, scale down *pro rata* each application on that Valuation Day, so that not more than 10% of the net assets of the relevant Sub-Fund, be converted or redeemed on such Valuation Day.

The outstanding Shares to be redeemed or converted as a result of the above shall be treated on the next Valuation Day at the Net Asset Value applicable on that Valuation Day and, if necessary, on subsequent Valuation Days, until such applications are satisfied in full.

To the extent that subsequent redemption or conversion requests are received on the following Valuation Days, such later requests shall be postponed to the satisfaction in priority of the first applications delayed on previous Valuation Days. Such subsequent applications shall be scale down in accordance with the procedure described above.

#### 4.7 SUSPENSION OF CALCULATION OF THE NET ASSET VALUE

No Shares will be issued, converted or redeemed by the Fund during any period in which the determination of the Net Asset Value of the relevant Sub-Fund or Share Class is suspended.

Notice of suspension of the calculation of the Net Asset Value will be given to all subscribers and Shareholders concerned. Subscriptions, conversions and redemptions made or pending during a suspension period may be withdrawn by written notice received by the Central Administrative Agent prior to the end of the suspension period. Subscriptions, conversions and redemption not withdrawn within that timeframe will be processed on the first Valuation Day



following the end of the suspension period, on the basis of the Net Asset Value per Share determined on such Valuation Day.

## **5 SHAREHOLDERS' RIGHTS**

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### **5.1 OWNERSHIP OF THE SHARES**

The registration of the Shareholder's name in the Share Register evidences his ownership right on the number of Shares so registered in his name. The Fund will not issue certificates for such registration but each Shareholder shall receive a written confirmation of his shareholding.

As only one owner is admitted per Share, Shares are indivisible vis-à-vis the Fund. Co-owners of Shares must appoint one representative to represent them before the Fund. Failure to appoint a representative entails a suspension of any right attached to the Shares.

### **5.2 NOTICES AND ANNOUNCEMENTS**

Shareholders shall provide a postal address at the time of their subscription in the Fund to which all notices and announcements related to the Fund may be sent. In the event that a Shareholder does not provide an address, the Shareholder's address shall be deemed to be at the registered office of the Fund or at such other address as may be determined by the Fund until another address be provided to the Fund by such Shareholder. At any time, a Shareholder may request that his postal address be changed, by sending a written request to the Central Administrative Agent.

### **5.3 RIGHT TO INCOME**

Upon issue, Shares are entitled to participate equally in the profits and dividends (to the extent distributed) of the relevant Sub-Fund/Share Class, as well as in the liquidation proceeds of such Sub-Fund.

Each Sub-Fund and Share Class may provide for a distinct distribution policy. Shares may either be distribution or capitalisation Shares.

In case of distribution Shares, dividends are intended to be distributed and the Net Asset Value per Share may subsequently be reduced by the amount of dividends paid out while in the case of capitalisation Shares, net profits are not intended to be distributed but to be capitalised, thus increasing the Net Asset Value per Share. The distribution policy for each Sub-Fund or Share Class is described in **Part III**.

Annual dividends may be declared separately in respect of each Sub-Fund and any Share Class (despite the distribution policy disclosed in **Part III**) at the Annual General Meeting. Interim dividends may be paid upon a decision of the Board of Directors in relation to any Sub-Fund or Share Class, despite of the distribution policy disclosed in **Part III**. Notwithstanding the qualification of Shares as distribution Shares, the Board of Directors is not compelled to distribute dividends at the frequency disclosed or at all.

All distributions shall be made net of any withholding and similar taxes payable by the Fund.

Procedure for the payment of dividends shall be determined by the Board of Directors and notified by any appropriate means to the relevant Shareholders. The dividends will in principle be paid in (i) the Reference Currency of the relevant Share Class or, failing which, Sub-Fund or, (ii) exceptionally in another currency and at the rate of exchange determined by the Board of Directors. The Fund will not pay any income to another person than the registered Shareholder.

Unclaimed dividends within five (5) years following their declaration shall be forfeited and will revert to the relevant Sub-Fund or Share Class. No interest shall be paid on a dividend declared by the Fund and kept at the disposal of its beneficiary.

## **5.4 RIGHT IN CONNECTION WITH GENERAL MEETINGS**

### **5.4.1 Right to attend General Meetings**

#### **5.4.1.1 General Meetings of the Fund**

The Annual General Meeting shall be held at the registered office of the Fund in Luxembourg within four (4) months of the end of the financial year.

Notices of all General Meetings are sent by registered mail to all registered Shareholders at their registered address at least eight (8) calendar days prior to such meeting, without prejudice of other means of communication individually accepted by the Shareholders and ensuring information within that time period. Such notice will indicate the conditions of admission, date, time, place and agenda of such meeting and the applicable rules of quorum and majorities.

In the absence of quorum at an Extraordinary General Meeting, the Extraordinary General Meeting may be reconvened by a notice reproducing the agenda and indicating the date and results of the first General Meeting, and in accordance with the conditions set forth by article 67-1 (2) of the Company Law.

All decisions of the General Meetings are validly adopted pursuant to the quorum and majority set by the Articles.

The convening notice may set out that the quorum of presence at a General Meeting be determined according to the number of Shares issued and outstanding at midnight on the fifth day prior to the General Meeting (CET), and that the rights of a Shareholder to participate in that General Meeting and to exercise the voting rights attached to his Shares are determined according to the Shares held by this Shareholder as at this fifth day prior to the meeting.

#### **5.4.1.2 Meetings of the Sub-Funds and Share Classes**

Should specific resolutions only concern a particular Sub-Fund or Share Class, the decisions are validly adopted if the quorum and majority required for General Meetings are met in such Sub-Fund or Share Class, as the case may be. Notwithstanding any other provisions contained herein, only Shareholders of that particular Sub-Fund or Share Class are entitled to participate and vote in respect of such resolutions.

As long as the convening notice set forth that a resolution only concerns specific Share Classes or Sub-Funds, no separate notice is required to hold a distinct meeting for a Sub-Fund or Share Class from a General Meeting of the Fund.

#### **5.4.2 Right to convene General Meetings**

General Meetings may be called at any time either by the Board of Directors or by Shareholder(s) representing at least 10 % of the Share capital of the Fund.

#### **5.4.3 Right to vote**

Each whole Share entitles its owner to one vote at any General Meeting of the Fund, Sub-Fund, or Share Class to which such whole Shares (of the same Sub-Fund or Share Class) relate to. Fractions of Shares are not entitled to a vote, but are entitled to participate in the profits of the Fund or relevant Sub-Fund/Share Class, as the case may be.

Each Shareholder may attend and vote in person or by giving a proxy in writing to another person who needs not be a Shareholder. To the extent the Fund allows participation by video conference or other telecommunication means permitting the identification of Shareholders and effective participation without interruption, such participation shall be deemed equivalent to the attendance of the Shareholder in person.

Shareholders may also be entitled to vote by mail by means of a proxy form indicating the vote in favour or against, or abstention to, each resolution.

#### **5.4.4 Right to amend the Articles**

The Articles may be amended from time to time by an Extraordinary General Meeting, subject to the quorum and majority requirements provided in the Articles. Any amendment thereto shall be published in the Luxembourg Official Gazette and, if required, in any other official publications or newspapers in the respective countries in which the Shares are distributed or listed.

#### **5.4.5 Right to ask questions**

One or more Shareholder holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the Board of Directors relating to transactions in connection with the management of the Fund as well as companies controlled by the Fund. With respect to the latter, such questions shall be assessed in consideration of the relevant entities' corporate interest.

In the absence of a response within one (1) month, the relevant Shareholders may request the president of the chamber of the district court of Luxembourg dealing with commercial matters and sitting as in summary proceedings to appoint one or more experts in charge of drawing up a report on such related transactions.

## PART II

### 1 INVESTMENT OBJECTIVES AND POLICIES

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#### 1.1 INVESTMENT OBJECTIVES

The main objective of the Fund is to provide the Investors with a choice of Sub-Funds investing in a wide range of Transferable Securities, Money Market Instruments and other eligible assets in order to achieve an optimum return from capital invested, while reducing investment risk through diversification.

#### 1.2 INVESTMENT POLICIES

The investment objective and policy of the Sub-Funds are described in **Part III**. The Sub-Funds are subject to the general investment restrictions specified below and may use certain effective management portfolio techniques and financial derivative instruments specified thereafter, unless otherwise provided for in **Part III**.

All investments are made on markets operating regularly, recognised and open to the public.

The Board of Directors may decide to create further Sub-Funds with different investment objectives, and in such cases, this Prospectus will be updated accordingly. The Fund shall maintain for each Sub-Fund a separate portfolio of assets.

### 2 INVESTMENT RESTRICTIONS

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The Sub-Funds are subject to the following investment restrictions, subject to stricter rules applicable at the level of each Sub-Fund (as disclosed in **Part III**).

#### 2.1 ELIGIBLE ASSETS

The Fund, in respect of each Sub-Fund, may invest in:

- a) Transferable Securities and Money Market Instruments admitted to or dealt in a Regulated Market;
- b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State which operates regularly and is recognised and open to the public;
- c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public located within any other country of Europe, Asia, Oceania, the American continent or Africa;
- d) recently issued Transferable Securities and Money Market Instruments provided that:

- (i) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under (a) to (c) above; and,
  - (ii) such admission is secured within one year of the issue;
- e) shares or units of UCITS authorised according to the UCITS Directive and/or other UCIs within the meaning of points a) and b) of article 1(2) of the UCITS Directive, should they be situated in a Member State or not, provided that:
- (i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured;
  - (ii) the level of guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (iii) the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - (iv) no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to under in (a), (b) and (c) above, and/or financial derivative instruments dealt in over-the-counter (the **OTC Derivatives**), provided that:
- (i) the underlying consist of instruments covered by paragraphs (a) to (h), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest in accordance with the investment objectives of its Sub-Funds;
  - (ii) the counterparties to OTC Derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Fund's initiative;

- h) money market instruments other than those dealt in on a Regulated Market and other than Money Market Instruments, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- (i) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - (ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to under (a), (b) or (c) above; or
  - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in (i), (ii) or (iii) of this paragraph (h), and provided that the issuer (x) is a company whose capital and reserves amount at least to EUR 10,000,000.- and (y) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group, or (z) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

## 2.2 ANCILLARY ASSETS AND RESTRICTED TRANSACTIONS

However, and for each of the Sub-Funds, the Fund may:

- a) invest up to 10% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under **Part I, Section 2.1 (Eligible Assets)** above;
- b) acquire movable and immovable property which is essential for the direct pursuit of its business;
- c) hold ancillary liquid assets;
- d) borrow the equivalent of up to 10% of the net assets of a Sub-Fund provided that the borrowing is on a temporary basis; and
- e) acquire foreign currencies by means of a back-to-back loan.

## 2.3 RULES FOR RISK SPREADING

Moreover, the following investment restrictions shall be observed by the Fund for each Sub-Fund in respect of each issuer:

### 2.3.1 Transferable Securities and Money Market Instruments

- (1) A Sub-Fund may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.
- (2) The total value of the Transferable Securities and Money Market Instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This restriction does not apply to deposits and OTC Derivatives made with financial institutions subject to prudential supervision.

The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.

- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 25% for certain debt securities issued by a credit institution whose registered office is in a Member State and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-Fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's assets.
- (4) The values mentioned in (2) and (3) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (2) above.

**(5) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-Fund is authorised to invest up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, any other member state of the Organisation for Economic Cooperation and Development (OECD), Singapore, or any member state of the G20 or by a public international body of which one or more Member State(s) of the European Union are member(s) provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-Fund's total assets.**

- (6) Without prejudice to the limits laid down in **Part I, Section 2.4 (Restrictions with regard to control)** below, the limits laid down in (1) above are raised to a maximum of 20% for investment in shares and/or debt instruments issued by the same body when the Sub-Fund's investment policy is aimed at duplicating the composition of a certain

stock or debt securities index, which is recognised by the CSSF and meets the following criteria:

- a) the index's composition is sufficiently diversified;
- b) the index represents an adequate benchmark for the market to which it refers;  
and
- c) the index is published in an appropriate manner.

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

### 2.3.2 Bank deposits

- (7) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

### 2.3.3 Derivatives

- (8) The risk exposure to a counterparty of a Sub-Fund in an OTC Derivatives may not exceed 10% of its assets when the counterparty is a credit institution referred to in **Part I, Section 2.1 f)**, or 5% of its assets in any other case.
- (9) The Fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (7), (15) and (16). When the Fund invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (7), (15) and (16).
- (10) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in (11), (15) and (16), and when determining the risks arising on transactions in financial derivative instruments.
- (11) With regard to financial derivative instruments, each Sub-Fund will ensure that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

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

### 2.3.4 Shares or units in open-ended funds

- (12) A Sub-Fund, may not invest more than 20% of its assets in shares or units of a single UCITS or other UCI.
- (13) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the assets of the Sub-Fund.



- (14) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in (12) hereabove.

### 2.3.5 Combined limits

- (15) Notwithstanding the individual limits laid down in (1), (7) and (8), the Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:
- a) investments in Transferable Securities or Money Market Instruments issued by that body;
  - b) deposits made with that body; and/or
  - c) exposures arising from OTC Derivatives undertaken with that body.
- (16) The limits set out in (1) to (4), (7), (8) and (15) cannot be combined. Thus, investments by each Sub-Fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or financial derivative instruments made with this body in accordance with (1) to (4), (7), (8) and (15) may not exceed a total of 35% of the net assets of this Sub-Fund. Companies of the same Group of Companies are regarded as a single body for the purpose of calculating this 35% limit.

A Sub-Fund may invest in aggregate up to 20% of its assets in Transferable Securities and Money Market Instruments with the same Group of Companies.

## 2.4 RESTRICTIONS WITH REGARD TO CONTROL

- (17) The Fund for all its Sub-Funds may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (18) The Fund may acquire no more than:
- a) 10% of the outstanding non-voting shares of the same issuer;
  - b) 10% of the outstanding debt securities of the same issuer;
  - c) 25% of the outstanding shares or units of the same UCITS and/or other UCI;
  - d) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points b) to d) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

- (19) The limits laid down in (17) and (18) are waived as regards:

- a) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- b) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
- c) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- d) shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
- e) shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the Shareholders request exclusively on its or their behalf.

## 2.5 CROSS SUB-FUND INVESTMENTS

A Sub-Fund (the **Investing Sub-Fund**) may subscribe, acquire, and/or hold securities issued or to be issued by one or more Sub-Funds (each, a **Target Sub-Fund**), without the Fund being subject to the requirements of the Company Law, with respect to the subscription, acquisition, and/or holding by a company of its own shares, under the conditions however that:

- a) the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund investing in this Target Sub-Fund;
- b) no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in units/shares of other UCITS or other UCIs, including for the avoidance of any doubt, Shares in another Sub-Fund;
- c) the Investing Sub-Fund may not invest more than 20% of its net assets in Shares of a single Target Sub-Fund;
- d) voting rights, if any, attaching to the relevant securities of the Target Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- e) for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law.

## 2.6 MASTER-FEEDER STRUCTURES

The Fund may (i) create any Sub-Fund qualifying either as a feeder UCITS (a **Feeder UCITS**) or as a master UCITS (a **Master UCITS**), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS, in accordance with applicable law.

A Feeder UCITS shall invest at least 85% of its assets in the units or shares of another Master UCITS.

A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- a) ancillary liquid assets;
- b) financial derivative instruments which may be used only for hedging purposes; and
- c) movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the UCI Law the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the terms of the paragraph b) above with either:

- a) the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investments into the Master UCITS; or
- b) the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation, in proportion to the Feeder UCITS investment into the Master UCITS.

## 2.7 PROHIBITED TRANSACTIONS

Furthermore, the following restrictions will have to be complied with:

- a) the Fund may not acquire either precious metals or certificates representing them;
- b) the Fund may not acquire real estate, except when such acquisition is essential for the direct pursuit of its business;
- c) the Fund may not issue warrants or other instruments giving holders the right to purchase shares in the Fund.

Without prejudice to the possibility of the Fund to acquire debt securities and to hold bank deposits, the Fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.

The Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

## 2.8 EXCEPTIONS

Notwithstanding the above provisions:

- a) the Fund, for each of the Sub-Funds, needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets of the Sub-Fund concerned;
- b) Sub-Funds when investing in Russia, will only invest in securities listed on the MICEX-RTS Stock Exchange and any other regulated markets in Russia which would further be recognised as such by the CSSF;
- c) a Sub-Fund may invest in securities listed in Russia on markets other than those referred to in the preceding paragraph within the limits laid down in **Part I, Section 2.2 a)** above.
- d) if the limits referred to above are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders;
- e) the Sub-Funds may derogate from article 43, 44, 45 and 46 of the UCI Law for six (6) months following the date of their respective authorisation, while ensuring observance of the principle of risk spreading.

## 3 SECURITIES FINANCING TRANSACTIONS, EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND FINANCIAL DERIVATIVE INSTRUMENTS

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### 3.1 SECURITIES FINANCING TRANSACTIONS

The Fund will not, for the time being, use or carried out Securities Financing Transactions. Should the Fund decide to use Securities Financing Transactions in the future, the Fund will update this Prospectus in accordance with the EU Regulation 2015/2365 and will use them in compliance with the requirements of the Circular 08/356 and the Circular 14/592.

### 3.2 EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

The Fund will not, for the time being, use or carried out Efficient Portfolio Management transactions. Should the Fund decide to use Efficient Portfolio Management Techniques in the future, the Fund will update this Prospectus in accordance with the regulation in force at that time.

### 3.3 FINANCIAL DERIVATIVE INSTRUMENTS

The Fund and its Sub-Funds may use financial derivative instruments for hedging, efficient portfolio management or investment purposes. However in no event shall the use of financial derivative instruments or other financial techniques cause the Sub-Funds to depart from their

investment objectives or to materially alter their risk profile over what would be the case if financial derivative instruments were not used.

The Fund may in respect of each Sub-Fund invest in financial derivative instruments, traded on a Regulated Market or over the counter (**OTC**) provided they are contracted with leading financial institutions specialized in this type of transactions.

In particular, the Sub-Funds may invest in the following financial derivative instruments:

- a) financial futures contracts;
- b) options on stock indices, equities, interest, rates, bonds, currencies, commodity indices (excluding single commodities indices) or other instruments;
- c) forward contracts, including foreign exchange (FX) forward contracts;
- d) swaps including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equity, volatility swaps and variance swaps;
- e) credit derivatives, including credit default derivatives, credit default swaps and credit spread derivatives;
- f) warrants;
- g) structured financial derivatives instruments such as credit-linked and equity linked securities.

The Fund may use financial derivative instruments for:

- a) efficient portfolio management;
- b) hedging, including to hedge the assets against either (i) interest rate, (ii) risk of unfavourable stock markets or (iii) currency exposure ; and
- c) investment purposes, in which case the investment policy of the Sub-Fund should specify it;

provided the use of financial derivative instruments shall not cause the Sub-Fund to deviate from its investment policy.

If a Sub-Fund invests in total return swaps or financial instruments with similar characteristics, the investment policy of the Sub-Fund will describe the information required by the Circular 14/592 (e.g. the underlying strategies and composition of the investment portfolio or index and the counterparties to the total return swaps) and the EU Regulation 2015/2365.

### **3.4 COLLATERAL MANAGEMENT**

Where a Sub-Fund enters into OTC Derivatives, all collateral (including collateral given in excess) used to reduce counterparty risk exposure shall fulfil the following criteria at all times:

- a) **Liquidity:** all collateral received other than cash shall be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing enabling its quick sale at a price that is close to pre-sale valuation. Collateral received shall also comply with the issuer limit controls provisions in **Part I, Section 2.4 (Restrictions with regard to control)**.
- b) **Daily valuation:** Collateral received shall be valued at least on a daily basis and collateral presenting high price volatility shall be either refused or valued with a conservative haircut.
- c) **Issuer credit quality:** Collateral received shall be of high quality.
- d) **No correlation:** The collateral received shall be issued by an entity that is independent from the counterparty and which does not display a high correlation with the performance of the counterparty (collateral issued by an entity of the same group than the counterparty is deemed to be correlated).
- e) **Diversification:** Collateral shall be sufficiently diversified in terms of country, markets and issuers. In particular, with respect to issuer concentration the Sub-Fund should not be exposed to a given issuer for more than 20% of its Net Asset Value. For this calculation, the Sub-Fund shall aggregate all collateral received from all counterparties (as well as collateral received to cover the counterparty risks arising from OTC Derivatives transactions).
- f) **Custody of collateral in full property:** Where there is a title transfer, the collateral received shall be held by the Depositary. If the counterparty is also the Depositary, the custody may be entrusted to the Depositary if the latter has functionally and hierarchically separated the performance of its depositary tasks from its collateral provider ones. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- g) **Enforcement:** Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- h) **Reinvestment of collateral:** Non-cash collateral received shall not be sold, re-invested or pledged. Cash collateral shall only be:
  - (i) placed on deposit with entities referred to in **Part I, Section 2.1 f)**;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
  - (iv) invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds".

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral and abide to the 20% issuer limit set forth in article 52 (2) of the UCITS Directive (which apply to both cash and reinvested non cash collateral).

### **3.5 COLLATERAL POLICY**

The Fund will, for the time being, not receive collateral when entering into OTC Derivative transactions to reduce counterparty risk exposure. Should the Fund decide to use collateral as a mean to reduce counterparty risk exposure, the Fund will update this Prospectus accordingly and will comply with Circular 14/592. For the avoidance of any doubt, the Fund will comply at any time with the investment restrictions of the Fund as to the maximum counterparty risk exposure when entering into OTC Derivative transactions.

## **4 RISK MANAGEMENT**

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The Management Company has established and applies the following policies to ensure a sound and effective risk management: (i) a risk management process and policy in respect of the risks derived from portfolio management, (ii) a conflict of interests policy and (iii) a remuneration policy in respect of the risks that may arise in the fund's management.

### **4.1 RISK MANAGEMENT PROCESS AND POLICY**

The Management Company has established a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-Funds. In particular the risk management process assesses the exposure of the Sub-Funds to all material risks, including market risks, liquidity risks, counterparty risks and operational risks. The Management Company employs a process allowing for accurate and independent assessment of the value of the OTC Derivatives.

### **4.2 CALCULATION OF THE GLOBAL EXPOSURE TO FINANCIAL DERIVATIVE INSTRUMENTS**

The Management Company shall assess the risk profile of each Sub-Fund and determine the relevant methodology to calculate the global risk exposure. The global exposure of each Sub-Fund must be calculated at least on a daily basis.

The Sub-Funds will make use of financial derivative instruments in a manner not to materially alter the Sub-Fund's risk profile over what would be the case if financial derivative instruments were not used except otherwise disclosed in the investment policy of a specific Sub-Fund.

The global exposure of each Sub-Fund relating to financial derivative instruments shall not exceed the total net assets of the relevant Sub-Fund. The overall risk exposure of a Sub-Fund shall thus not exceed 200% of its total net assets. Furthermore, temporary borrowings (i.e. up to 10% of the total assets of a Sub-Fund) shall not increase the overall risk exposure by more than 10%. Thus, the overall risk exposure of a Sub-Fund shall not exceed 210% of its total net assets.

The global exposure relating to financial derivative instruments may be calculated through the commitment approach or Value at Risk approach (**VaR**). It is the sole responsibility of the Fund to select the adequate methodology for calculation for the global exposure taking into account

the risk profile of the Sub-Funds. The method of calculation applicable to each Sub-Fund is disclosed in **Part III**.

The commitment approach which is the sum of the absolute value of the commitment of each individual position after taking into account netting and hedging is the standard reference for the calculation of the global exposure to financial derivative instruments. However the VaR approach must be used when:

- a) a Sub-Fund engages in complex investment strategies which represent more than a negligible part of its investment policy;
- b) a Sub-Fund has more than a negligible exposure to exotic derivatives; or
- c) the commitment approach does not adequately capture the market risk of the portfolio.

The Annual Report of the Fund discloses the method to calculate the global exposure to financial derivative instruments.

#### **4.3 CONFLICT OF INTERESTS POLICY**

Various conflicts of interests may arise in the management or administration of the Fund. The Management Company shall ensure that the interest of Shareholders is safeguarded and is structured and organised in a way to minimize the risk of prejudice to the Investors' interest by conflicts of interests between the Fund and its clients and persons contributing to the Fund's activities or linked directly or indirectly to the Fund. The Management Company has established, implemented and maintained an effective conflicts of interests policy which is available on its website.

#### **4.4 REMUNERATION POLICY**

The Management Company has established and applies a remuneration policy which is consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles of the Sub-Funds and the Articles, nor impede the Management Company to act in the best interest of the Fund, in accordance with the UCITS Directive, the Commission Recommendation on Remuneration Policies and the ESMA Guidelines on Remuneration. The remuneration policy is compliant with the economic strategy, the objectives the values and interest of the Management Company, the Fund and its Investors and includes measures that aim to avoid conflicts of interests.

This section is a short summary of the remuneration policy which does not purport to be exhaustive. This summary is based on the remuneration policy in force at the date of the Prospectus. The remuneration policy may be changed from time to time and will be reviewed at least annually. Shareholders can request a paper copy of the details of the up-to-date remuneration policy, including but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and when where will be one, the composition of the remuneration committee, free of charge at the registered office of the Management Company and consult them on the website of the Management Company at: [www.mcsquare.lu](http://www.mcsquare.lu)



The Management Company has solicited its legal department for the elaboration of the remuneration policy. The control functions of the Management Company have been involved in its review (i.e. internal audit, risk management and compliance) and the board of directors of the Management Company ultimately adopted it.

To promote sound and effective risk management, the remuneration policy shall apply at minima to the Identified Staff and the Management Company may extend certain requirements to all its employees pursuant to the recommendations of the ESMA Guidelines on Remuneration. For this purpose, the Management Company considers the following categories as having a material impact on the risk profile of the Fund or its Sub-Funds: the directors, the conducting officers, the staff responsible for the control functions (i.e. internal audit, risk management and compliance) and the heads of department of portfolio management, administration, marketing and human resources (if any). The composition of their remuneration is threefold: (i) fixed salary, (ii) variable pay and (iii) ancillary benefits (i.e. luncheon vouchers, health insurance, etc.) which are part of a general and non-discretionary company-wide policy and are thus not subject to risk alignment requirements.

The Management Company offers to its Identified Staff fixed salaries whose amount represents a sufficient portion of the total remuneration and ensures that its Identified Staff is not dependent on variable pay.

The Management Company reserves the possibility not to pay any variable salary. With respect of variable pay (if any), the Management Company uses the principle of proportionality considering its size, internal organization and the nature, scope and complexity of its activities, to disregard the following requirements of the UCITS Directive: payments of variable pay in Shares, deferral requirements, retention periods and ex-post risk adjustments, and to solely pay variable salaries in the form of short-term incentives programs (i.e. discretionary annual bonuses). The amount of Identified Staff's bonuses is related to the performance of (i) the concerned Identified Staff and his/her business unit, (ii) the funds under management and (iii) the overall results of the Management Company and based on financial and non-financial criteria. The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to investors of the funds managed in order to ensure that the assessment process is based on the longer-term performance of the funds and their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company has not established a remuneration committee by virtue of the principle of proportionality. for other functions. The board of directors of the Management Company solely determines and approves the remuneration of the other Identified Staff.

## **5 NET ASSET VALUE**

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### **5.1 DETERMINATION OF THE NET ASSET VALUE**

The Net Asset Value per Share of the Sub-Funds or Share Classes (if any) will be calculated in the Reference Currency of the Sub-Funds or Share Classes, if any.

The Sub-Funds are valued at least twice a month and the Net Asset Value per Share is determined on each Valuation Day. Each Sub-Fund may have additional and distinct Valuation Day(s), which are disclosed for each of them in **Part III**.

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

Although the Net Asset Value is determined on a Valuation Day taking into account the values, prices and shares outstanding on such Valuation Day, the calculation and publication of such Net Asset Value will only be made on the following Luxembourg Business Day, meaning that the Net Asset Values on a Valuation Day are released and published on the Luxembourg Business Day following that Valuation Day.

The net assets of the Fund are at any time equal to the total of the net assets of all the Sub-Funds.

In determining the Net Asset Value per Share of each Share Class, income and expenditure are treated as accruing daily.

The valuation of the Net Asset Value per Share of the different Share Classes shall be made in the following manner:

#### **5.1.1 Assets**

- a) The assets of the Fund shall be deemed to include:
- (i) all cash on hand or on deposit, including any interest accrued thereon;
  - (ii) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
  - (iii) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund (provided that the Fund may make adjustments in a manner not inconsistent with paragraph (b) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
  - (iv) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
  - (v) all interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
  - (vi) the formation expenses of the Fund and of any new Sub-Fund, including the cost of issuing and distributing Shares, insofar as the same have not been written off;
  - (vii) the liquidating value of all forward contracts and all call or put options the Fund has an open position in; and
  - (viii) all other assets of any kind and nature including expenses paid in advance.

- b) The value of such assets shall be determined as follows:
- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless however the same is unlikely to be paid or received in full for any reason, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;
  - (ii) the value of securities which are quoted on a recognised stock exchange or dealt on any other regulated market shall be based on their latest available prices, or, in the event that there should be quoted or dealt on several markets, on the basis of their latest available prices on the main market for the relevant security;
  - (iii) in the event that the latest available price does not, in the opinion of the Management Company, truly reflect the fair market value of the relevant securities, the value of such securities will be determined by the Management Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith;
  - (iv) securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Management Company;
  - (v) the value of financial derivative instruments traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these financial derivative instruments on exchanges and regulated markets on which the particular financial derivative instruments are traded by the Fund; provided that if financial derivative instruments could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the value of such financial derivative instruments shall be such value as the Management Company may deem fair and reasonable;
  - (vi) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organized market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Management Company;
  - (vii) shares or units UCITS and other UCIs will be valued at their latest available net asset value; and
  - (viii) all other transferable securities and other permitted assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Fund;
  - (ix) liquid assets and Money Market Instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Management Company. All other assets, where practice allows, may be valued in the same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to time by the Management Company to determine whether a deviation exists between the Net Asset Value calculated using the market quotation and

that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to Investors or existing Shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the Net Asset Value by using available market quotations.

In the event that the above mentioned calculation methods are inappropriate or misleading, the Management Company may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund to reflect more fairly the value of such investments. The Net Asset Value may be adjusted as the Management Company may deem appropriate to reflect, among other considerations, any dealing charges including any dealing spreads, fiscal charges and potential market impact resulting from Shareholders' transactions.

Any assets held in a particular Sub-Fund not expressed in the Reference Currency of the Sub-Fund will be converted into the Reference Currency of the Sub-Fund at the rate of exchange prevailing in a recognised market or quoted by a recognized credit or financial institution.

### 5.1.2 Liabilities

The liabilities of the Fund shall be deemed to include:

- (i) all loans, bills and accounts payable;
- (ii) all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) all accrued or payable expenses (including the fees and expenses disclosed in **Part II, Section 6 (Charges and Expenses)** or otherwise payable to agents of the Fund);
- (iv) all known liabilities, present and future, including all matured contractual obligations for payment of money or in kind;
- (v) an appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Management Company, and other reserves, if any; and
- (vi) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares.

In determining the amount of such liabilities, the Fund shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise, if any, the fees payable to its Directors (including all reasonable out-of-pocket expenses), accountants, permanent representatives in places of registration, distributors, trustees, fiduciaries, correspondent banks and any other agent employed by the Fund, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of Prospectuses, addenda, explanatory memoranda, registration statements, Annual Reports and semi-annual reports, all taxes levied on the assets and the income of the Fund (in particular, the *taxe d'abonnement*

and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of Shareholders (including expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees and charges charged by custodian banks or their agents (including receipts and any reasonable out-of-pocket expenses, ie. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone and facsimile charges.

The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

### **5.1.3 Allocation of assets and liabilities among Sub-Funds**

The Fund shall establish a pool of assets for each Sub-Fund in the following manner:

- (i) the proceeds from the issue of Shares shall increase the proportion of the net assets attributable to the relevant Share Class, if any or the Sub-Fund in relation to which the Shares are issued, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool subject to the provisions set forth hereafter;
- (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same pool as the assets from which it was derived and on each re-evaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;
- (iii) where the Fund incurs a liability which relates to a particular asset of a particular Share Class or Sub-Fund, such liability is allocated to the relevant Sub-Fund / Share Class;
- (iv) assets or liabilities which are not attributable to a specific Sub-Fund or Share Class shall be charged to all Sub-Funds or Share Classes either in equal parts or at the pro rata of their respective assets, at the Fund's discretion; and
- (v) upon the payment of dividends to the Shareholders of any Share Class, the Net Asset Value of such Share Class shall be reduced by the amount of such dividends.

In addition, the Fund shall allocate:

- (i) Shares to be redeemed shall be treated as existing and taken into account until immediately after the time specified by the Fund on the Valuation Day on which such valuation is made, and, from such time and until paid, the Redemption Price therefore shall be deemed to be a liability of the Fund;
- (ii) Shares in respect of which subscription has been accepted but payment has not yet been received shall be deemed to be existing as from the close of business on the Valuation Day on which they have been allotted and the Subscription Price therefore, until received by the Fund, shall be deemed a debt due to the Fund;

- (iii) all investments, cash balances and other assets of any Sub-Fund expressed in currencies other than the Reference Currency in which the Net Asset Value of the relevant Sub-Fund is calculated shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of the relevant Sub-Fund;
- (iv) effect shall be given on any Valuation Day to any purchases or sales of securities contracted for by the Fund on such Valuation Day, to the extent practicable; and
- (v) the valuation referred to above shall reflect that the Fund is charged with all expenses and fees in relation to the performance under contract or otherwise by agents for management company services (if appointed), asset management, custodial, domiciliary, registrar and transfer agency, audit, legal and other professional services and with the expenses of financial reporting, notices and dividend payments to Shareholders and all other customary administration services and fiscal charges, if any.

## **5.2 CANCELLATION OF VALUATION**

The Board of Directors may further cancel a valuation and carry out a second valuation in good faith in the interest of the Shareholders, if there has been a material change since the valuation of the Net Asset Value in (i) a substantial part of the assets of a Sub-Fund or (ii) the quotations in the markets on which a substantial proportion of the Fund's assets are dealt or quoted.

All requests for subscription or redemption received to be executed on the first valuation will be executed on the second valuation.

## **5.3 TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE**

The Fund may suspend the calculation of the Net Asset Value per Share for a Sub-Fund in the following circumstances:

- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) during any period when as a result of political, economic, military or monetary events, of any state of affairs or of any other circumstances outside the control, responsibility and power of the Board of Directors, the valuation of assets owned by the Fund attributable to such Sub-Fund would not be reasonably practicable or fair without being seriously detrimental to the Fund's or Shareholders' interest (such as resulting in taxation or other pecuniary disadvantage for Shareholders that they may no otherwise have suffered);
- c) during any breakdown or restriction in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or if for any other reason, the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund may not be determined timely or accurately for the calculation of the Net Asset Value per Share;

- d) upon the notification to Shareholders of the contemplated or effective liquidation, merger, division or other restructuring operation of the Fund, a Sub-Fund or Share Class; or
- e) where an undertaking for collective investment in which a Sub-Fund has invested a substantial portion of its assets temporarily suspends the repurchase, redemption or subscription of its units/shares, whether on its own initiative or at the request of its competent authorities.

Subscriptions, conversions and redemptions of Shares are suspended during any period of suspension of calculation of the Net Asset Value of such Shares. Should the events describe above only affect the calculation of the Net Asset Value of specific Sub-Fund(s) and/or Share Classes, the calculation of the Net Asset Value of other Sub-Funds and/or Share Classes should not be suspended, and similarly for subscriptions, conversions and redemptions in respect of such Sub-Funds and or Share Classes.

Any request for subscription, redemption or conversion of Shares shall be irrevocable except in the event of a suspension of the determination of their Net Asset Value.

The beginning of, and the end of, any period of suspension will be notified to Shareholders as appropriate (either by registered mail, website of the Management Company and/or publication in relevant financial newspaper(s) selected by the Fund) and as may be required in the respective countries in which the Shares are sold. The CSSF and the relevant authorities of any Member State in which Shares are distributed (to the extent required) will be informed of any such suspension. Notice will likewise be given to any Investor or Shareholder as the case may be applying for subscription, conversion or redemption of Shares whose Net Asset Value has been suspended.

#### **5.4 PUBLICATION OF NET ASSET VALUE PER SHARE**

The Net Asset Value per Share in each Sub-Fund and Share Classes is made public at the registered office of the Fund and on the website of the Management Company. The Fund may arrange for the publication of this information in the relevant Reference Currency and any other currency at the discretion of the Fund in leading financial newspapers, as disclosed in **Part III**. The Fund cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

## **6 CHARGES AND EXPENSES**

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### **6.1 MANAGEMENT FEE**

The Management Company is entitled to a Management Fee out of the net assets of the Fund for its services rendered to the Fund. Such Management Fee is payable monthly in arrears and calculated on the average net assets during the relevant month of each Sub-Fund (before deduction of the Management Fee) at the rates set forth in **Part III**.

The Management Company is entitled to appoint Investment Manager(s) as well as Investment Advisor(s). Unless otherwise specified in **Part III**, any fee and expenses of

Investment Managers shall be borne by the Management Company and equally those of Investment Advisors shall be borne by the relevant Investment Manager or failing which the Management Company. However, the Management Company may instruct the Fund to pay on its behalf any fees it owes to its delegates out of the assets of the relevant Sub-Fund. In such case, the Management Fee will be reduced in proportion to the payment made to the Investment Manager or Investment Advisor.

Equally, any Investment Advisor may appoint Sub-Investment Advisor(s) at its own costs but may instruct the Management Company or the Investment Manager to pay the sub-advisory fee out of its remuneration.

## 6.2 PERFORMANCE FEE

In order to provide an incentive in the management of the Sub-Funds, the Fund may in addition pay a Performance Fee to the Management Company or its delegates.

The Performance Fee is calculated in respect of each Performance Period. The Performance Period is defined in **Part III** for each Sub-Fund. The first Performance Period starts and ends on the dates specified in **Part III** for each Sub-Fund. The Performance Fee is calculated separately per Share Class within a Sub-Fund.

The details of the calculation of the Performance Fee (e.g. rate, benchmark, high water mark or hurdle rate as the case may be) may vary for each Sub-Fund and are specified in **Part III** for each of them.

The Performance Fee will accrue on each Valuation Day and paid (if any) at the end of the relevant Performance Period. The Performance Fee will be calculated on the basis of the Net Asset Value per Share after deducting all expenses and fees (but not the Performance Fee).

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

In case of subscriptions, the calculation of the Performance Fee is adjusted to avoid the impact of these subscriptions on the amount of Performance Fee accrued. To perform this adjustment, the out-performance of the Subscription Price against the relevant Net Asset Value until the subscription date is not taken into account in the calculation of the Performance Fee. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the Performance Period and is adjusted in case of subsequent redemptions during the Performance Period.

## 6.3 DISTRIBUTION FEE

The Management Company is entitled to a Distribution Fee on the Shares issued and still outstanding. Such Distribution Fee is payable out of the assets of the relevant Sub-Fund on a monthly or quarterly basis at the annual rates set forth in **Part III**. The Management Company is entitled to appoint Distributors at its own costs.



#### 6.4 FUND'S ORDINARY EXPENSES

The Fund bears all ordinary expenses incurred in the operation of the Fund. Such expenses are borne by the Sub-Funds and Share Classes on the basis of the actual expenses incurred, which include:

- the fees and reasonable expenses of all agents and service providers of the Fund (Directors, Management Company, Auditor, Depositary, paying agent, Distributors, Central Administrative Agent, Domiciliary Agent, etc...)
- all taxes and duties, which may be owed on its assets, such as the subscription tax, interest or brokerage costs;
- reasonable marketing and advertising expenses of the Shares and the costs for the preparation, translation and printing of all documents in connection therein (e.g. Prospectus, KIIDs, Annual Report, semi-annual report of the Fund etc.);
- costs for publishing the Net Asset Values and other information for Shareholders;
- all registration and maintenance fees with the Luxembourg or foreign authorities in any relevant jurisdictions and with stock exchanges; and
- insurance costs.

#### 6.5 CENTRAL ADMINISTRATION FEE

The Central Administrative Agent receives a central administration fee amounting to a maximum fee of 0.08% per annum based on the average market value of the assets of each Sub-Fund, which is payable semi-annually in arrears with an annual minimum of EUR 16,000 per Sub-Fund for the Net Asset Value calculation. Additional fixed charges may be perceived in case additional Share Classes are launched or additional services are performed. The Central Administrative Agent is also entitled to receive reimbursement for any reasonable out-of-pocket expenses incurred in connection with the Fund and chargeable to the Fund and fees for other services agreed from time to time.

#### 6.6 DEPOSITARY FEE

The Depositary will charge (i) a maximum fee of 0.08% p.a. based on the monthly average market value of the assets under custody which is payable monthly in arrears and with an annual minimum of EUR 10,000 and (ii) a fixed fee per transaction. The Depositary is also entitled to receive reimbursement for all operation expenses charged by correspondents, brokers and taxes in connection therewith as well as any reasonable out-of-pocket expenses incurred in connection with the Fund.

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In case there are several Sub-Funds and Share Classes, the allocation of costs and expenses between the various Sub-Fund and Share Classes is made in accordance with the Articles.

For all actual expenses borne by the Fund which cannot be allotted to one specific Sub-Fund or Share Class will be charged to the different Sub-Funds or Classes equally or proportionately to their respective net assets or allocated in such way as the Board of Directors will determine prudently and in good faith.

The formation expenses of the Fund have been paid by the Fund and will be amortised over a five-year period in equal instalments and by the Sub-Funds existing during that period. The expenses incurred by the Fund in relation to the launch of additional Sub-Fund or Share Class may, at the discretion of the Board of Directors, be capitalized and amortized over a period not exceeding five (5) years, as permitted by Luxembourg law.

## **7 TAXATION**

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The following Section is a short summary of certain important taxation principles that may be or become relevant with respect to the Shares. The Section does not purport to be a complete summary of tax law and practice currently applicable in Luxembourg. The general information set forth below is based on law and administrative practice currently applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and may be subject to change.

Investors are advised to consult their own professional tax advisers in respect of their investment in the Fund.

### **7.1 THE FUND**

At the date of this Prospectus, the Fund is not liable for any Luxembourg tax other than a subscription tax.

The subscription tax is payable on the total net assets of the Fund at a rate of 0.05% p.a. This rate is reduced to 0.01% p.a. (i) for Sub-Funds or Share Classes reserved to Institutional Investors or (ii) for funds or Sub-Funds whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions. The value of the assets of a Sub-Fund represented by units/shares held in other funds is exempt from subscription tax provided such units/shares have already been subject to the subscription tax.

The income and gains of the Fund will not be subject to corporate income tax, municipal business tax and net worth tax in Luxembourg.

### **7.2 SHAREHOLDERS**

At the date of this Prospectus, Shareholders are not subject to any taxation on capital gains, taxation on income, transfer tax or withholding tax in Luxembourg on the holding, sale, purchase or repurchase of Shares in the Fund, except for Shareholders who are domiciled, resident, have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

Investors should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation, foreign exchange controls and being prohibited persons) applicable to the subscription, purchase, holding, and redemption of Shares in the country of their citizenship, residence or domicile, and of the current tax status of the Fund in Luxembourg.

### **7.3 OTHER TAX CONSIDERATIONS: SAVINGS DIRECTIVE AND DAC LAW**

Since 1 January 2015 Luxembourg has abolished the withholding tax system as alternative to the automatic exchange of information under the Savings Directive. As a consequence,

Shareholders resident in another EU Member State cannot opt anymore for a withholding tax (at a previous rate of 35%) on interest payments received. Under the Savings Directive, information on such interest payments were automatically exchanged with the relevant tax authorities of EU Member States as well as with certain dependant and associated territories and third countries.

In December 2015, Luxembourg adopted the DAC Law which introduced an automatic exchange of information based on the Common Reporting Standard of the OECD between EU Member States and other jurisdictions with which Luxembourg or the European Union has agreed to exchange such information. The reporting under the DAC Law started in 2017 in relation to accounts held by individuals and non-financial entities residing in a jurisdiction under the scope of the DAC Law during the year 2016. The DAC Law also broadens the scope of the reportable information under the Savings Directive and includes notably:

- payments made through certain intermediate structures (whether or not established in a EU Member State) for the ultimate benefit of an EU resident individual; and
- a wider range of income similar to interest (e.g.: distributions (dividends), capital gains and other financial income (redemption) from all regulated investment funds invested in debt claims and certain life insurance products).

In order to avoid an overlap between the Savings Directive and the DAC Law, the Council of the European Union repealed the Savings Directive with effect from 1 January 2016.

The Luxembourg paying agent shall then report to the Luxembourg tax authorities the following information regarding a reportable account (i) personal details on the account holder (e.g. identity, residence, tax identification number, date and place of birth of the beneficial owner) and (ii) financial information (balance of the account and the total gross amount paid or credited to the account in respect of the relevant reporting period and certain other data).

#### 7.4 FATCA

The US FATCA imposes on financial institutions certain reporting obligations on financial accounts. In order to reduce burdens on Luxembourg financial institutions, the Luxembourg Government entered into the IGA with the Government of the United States of America. Pursuant to the IGA, Luxembourg financial institutions and branches located in Luxembourg will report directly information on US Persons (as such term is defined in FATCA) and on payments such US Persons receive to the Luxembourg tax authorities (i.e. the *Administration des Contributions Directes*) which should in turn report to the IRS. Therefore the IRS can reconcile information reported by the Luxembourg tax authorities with the one of the US tax payers. The IGA exempts the Fund (which is a financial institution) from signing an individual agreement with the IRS. In case US tax payers or the Fund do not comply with the FATCA Law (e.g. fail to report the relevant information to the IRS or the Luxembourg tax authorities), a 30% withholding tax may be applied on all US source income (including interest and dividends) and on gross proceeds from the sale or other disposal of property of the Fund held outside the United States of America that can produce US source interest or dividends.

To ensure the Fund's compliance with FATCA provisions and the IGA, the Fund may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of an Investor's FATCA

registration with the IRS or a corresponding exemption, in order to ascertain such Investor's FATCA status;

- b) report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the IGA; and
- c) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the IGA.

Investors and Shareholders must answer to all queries that the Fund may ask in this respect, failing which subscriptions into Shares may be refused or Shareholders may be required to indemnify the Fund of the same amount of the penalties incurred as a result of the absence, late, incomplete or erroneous reporting by the Shareholders to the Fund.

## **8 LIQUIDATION, DIVISION AND MERGER**

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### **8.1 DISSOLUTION AND LIQUIDATION OF THE FUND**

Although the Fund is incorporated for an unlimited period of time, the General Meeting may at any time, upon proposal of the Board of Directors, decide the early termination and dissolution of the Fund. Such decision shall be taken by the General Meeting with the quorum and majority require for Extraordinary General Meetings.

In addition, the General Meeting must be convened by the Board of Directors to decide upon the dissolution of the Fund within forty (40) days as from the ascertainment that the net assets of the Fund have fallen below two thirds and one quarter of the minimum share capital legally required. No quorum shall be prescribed at such General Meetings, which shall decide at (i) the simple majority of the votes cast in the case the net assets have fallen below two thirds of the minimum share capital and (ii) one quarter of the votes cast in the case the net assets have fallen below one quarter of the minimum share capital.

The liquidation shall be carried out (i) by one or more liquidators (who may be physical persons or legal entities) appointed by the General Meeting which shall determine their powers and their compensation or (ii) failing such appointment, by the Board of Directors, in accordance with Luxembourg law. Liquidator(s), other than the Board of Directors, shall be approved by the CSSF and shall provide all guarantees of standing and professional skills.

After payment of all debts and liabilities of the Fund and all expenses of liquidation, the net proceeds of the liquidation shall be distributed among the Shareholders in proportion of their holdings of Shares taking into account the segregation of assets and liabilities of the Sub-Funds. Liquidation proceeds may be distributed in cash or in kind, in this latter case with the prior consent of the concerned Shareholder(s) and without prejudicing the interests of the other Shareholders. Liquidation proceeds unclaimed by the Shareholders at the close of the liquidation procedure should be kept in escrow at the public trust office (*Caisse de Consignation*) until the period prescribed by law.

No Shares shall be issued as from the event giving rise to the liquidation of the Fund, except for liquidation purposes.

## 8.2 LIQUIDATION OF A SUB-FUND OR SHARE CLASS

The Board of Directors may decide at any moment, to liquidate a Share Class or Sub-Fund.

In case of termination of a Sub-Fund or Share Class, the Board of Directors may offer to the Shareholders concerned the conversion of their Shares into Shares of another Share Class in the same or another Sub-Fund, under the terms fixed by the Fund or the redemption of their Shares in cash at the Redemption Price described in **Part I, Section 4.4.6 (Compulsory Redemption)**.

The Fund may compulsorily redeem Shares in a Sub-Fund or Share Class in the following cases:

- if for any reason the value of the net assets in any Sub-Fund of Share Class has decreased to an amount determined by the Board of Directors from time to time to be the minimum level for such Sub-Fund (which is EUR 10 million or its equivalent in another currency) or Share Class to be operated in an economically efficient manner;
- if a change to the economic or political situation relating to a Sub-Fund have material adverse consequences on the investments of that Sub-Fund and justify so;
- in order to operate an economic rationalisation;
- if the Board of Directors deems, at its sole discretion, that it is in the general best interest of the Shareholders;

and at the Net Asset Value (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which the decision to redeem takes effect. The Fund shall serve a notice to the concerned Shareholders in writing prior to the effective date of the redemption, which indicates the reasons for, and the procedure of, the redemption operations, in accordance with article 36 of the Articles

Unless it is otherwise decided in the interests of, or to maintain equal treatment between the Shareholders of the Fund, the Shareholders of the Sub-Fund or Share Class concerned may continue to request redemption or conversion of their Shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the effective date of the compulsory redemption. Any request for subscription of Shares in such Sub-Fund or Share Class shall be suspended as from the announcement of the termination of the relevant Sub-Fund or Share Class.

Notwithstanding the foregoing, the Board of Directors may decide to delegate to the General Meeting of the relevant Share Class or Sub-Fund the decision to redeem all the Shares issued in such Sub-Fund/Share Class at the Net Asset Value per Share (taking into account actual realisation prices of the investments and realisation expenses) determined on the Valuation Day on which such decision shall take effect. In such case, decisions of the General Meeting are adopted at the simple majority of the votes cast with no quorum requirement.

All redeemed Shares shall be cancelled by the Fund.

Liquidation proceeds unclaimed by their beneficiaries at the close of the liquidation procedure should be kept in escrow at the public trust office (*Caisse de Consignation*) until the period prescribed by law.

### **8.3 DIVISION OF SUB-FUND**

Under the same circumstances than for a liquidation of a Sub-Fund, the Board of Directors may decide at any time to reorganise a Sub-Fund by means of a division into two or more Sub-Funds. The decision to split a Sub-Fund, the reasons for and the procedures of the division will be notified to the concerned Shareholders along with information about the two or more new Sub-Funds, at least one month before the date on which the division becomes effective, period during which Shareholders may request redemption of their Shares free of charge.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Board of Directors may decide to submit the decision to split a Sub-Fund to the General Meeting of the Sub-Fund concerned at the simple majority of the votes cast with no quorum requirements.

### **8.4 MERGER OF A SUB-FUND**

The Board of Directors may decide at any time to merge a Sub-Fund into another Sub-Fund or a sub-fund of another Luxembourg or foreign UCITS, unless the Board of Directors decides to submit such a decision to the General Meeting of the Sub-Fund concerned, which shall decide at the simple majority of the votes cast with no quorum requirements.

Any merger of any Sub-Fund must be previously approved by the Management Company.

In the case the Fund would cease to exist as a result of a merger of the last existing Sub-Fund, an Extraordinary General Meeting should be held to decide on the effective date of the merger, which shall decide at the simple majority of the votes cast with no quorum requirement.

The merger of any Sub-Funds with another Sub-Fund or UCITS shall be governed by the applicable Luxembourg laws and regulations. Shareholders of the merging Sub-Funds will be notified of the merger in accordance with Luxembourg law and in particular article 73 (3) of the UCI Law.

### **8.5 CONSOLIDATION AND DIVISION OF A SHARE CLASS WITHIN A SUB-FUND**

The Board of Directors may decide at any time to consolidate two or more Share Classes together within the same Sub-Fund or split a Share Class within a Sub-Fund. Shareholders will be notified of such decision with information on the proposed consolidation or split prior to the effective date of the consolidation or split.

The Board of Directors may however decide to submit the consolidation of two or more Share Classes within the same Sub-Fund or split a Share Class within a Sub-Fund to the General Meeting of the Sub-Fund or Share Class concerned, which shall decide at the simple majority of the votes cast with no quorum requirement.

## **9 MISCELLANEOUS**

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### **9.1 ANNUAL AND SEMI-ANNUAL REPORTS**

The Fund's financial year begins on the 1st January of each year and ends on 31 December of the same year. The first financial year of the Fund ended on 31 December 2014.

Audited Annual Reports will be made available to the Shareholders at the registered office of the Fund within four (4) months after the end of the financial year and the latest Annual Report shall be available at least fifteen days before the Annual General Meeting.

Unaudited semi-annual reports of the Fund will be available at the registered office of the Fund within two (2) months after 30 June.

The first Annual Report of the Fund was issued four (4) months after 31 December 2015 (which is the end of the first financial year of the Fund) and the first semi-annual report was issued two (2) months after 30 June 2015.

The consolidated currency of the Fund is USD.

## **9.2 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected free of charge during usual business hours on any week day (except on Saturdays, Sundays and public holidays) at the registered office of the Fund or the Management Company and may also be available on the website of the Management Company:

- a) the Prospectus;
- b) the relevant KIIDs;
- c) the Articles;
- d) the latest Annual Report or semi-annual report of the Fund;
- e) the net asset values of the Shares;
- f) the voting rights policy;
- g) the conflicts of interest policy;
- h) the complaints handling policy;
- i) the remuneration policy statement; and
- j) the list of delegates and sub-delegates of the Depositary.

Investors desiring to receive further information regarding the Fund (such as the contracts concluded by the Fund with its main service providers) should contact the Management Company.

## **9.3 APPLICABLE LAW**

The Luxembourg District Court is the place of performance for all legal disputes between the Shareholders and the Fund. The Prospectus is governed by and should be construed in accordance with Luxembourg law.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## PART III – THE SUB-FUNDS

### **No Objectives Guaranteed**

There can be no guarantee that the Sub-Fund will meet its investment objectives. It should be noted that the Net Asset Value per Share can go down as well as up. An Investor may not get back the entire amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to charges. Past performance is not an indicator for future results or performance. No guarantee as to future performance of, or future return from, the Fund can be given by the Fund, any Director or any advisor thereto.

### **Exceptional Market Circumstances**

Each Sub-Fund may during exceptional market circumstances and on a temporary basis only, hold 100% of its assets in liquid assets, in compliance with risk spreading requirements. Such liquid assets include cash, term deposits, securities issued by Money Market Funds and Short Term Money Market Funds (each as defined by the relevant ESMA Guidelines on Money Market Funds) or debt securities and Money Market Instruments dealt in on a Regulated Market and whose maturity does not exceed twelve (12) months.

### **Suitability**

An investment in a Sub-Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all Investors. A Sub-Fund is not intended to be a complete investment programme and Investors should consider their long-term investment goals and financial needs when making an investment decision about a Sub-Fund.

If you are in any doubt about the risk factors relevant to an investment, you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

### **No duplication of subscription or redemption fees in the case of common management or control**

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



## OAS FIXED INCOME

### Investment objective and policy

The main objective of the Sub-Fund is to achieve steady capital appreciation mainly through direct and indirect investments into fixed income securities of emerging markets sovereign and corporate issuers with a strong focus on capital preservation, whilst giving due consideration to the liquidity of the Sub-Fund's assets.

The Sub-Fund's investment strategy is a combination of top down allocation among asset classes, geographies and currencies and bottom up individual instruments picking with a focus on diversification of the Sub-Fund's portfolio, issuer quality and maturity structures in line with interest rate expectations.

Under normal circumstances the Sub-Fund will invest at least 80% of its assets into fixed income securities and up to 20% of its assets into cash and cash equivalent instruments. In times of high market volatility or other events as from time to time may be decided by the Management Company, proportion of the Sub-Fund's assets in cash may reach 100% of its assets.

The Sub-Fund may invest (i) up to 70% of its assets in non-investment grade securities with no more than 20% of the Sub-Fund's assets in fixed income securities rated less than B- by Standard & Poor's or Fitch Ratings or the equivalent by another credit rating agency and (ii) up to 20% of its assets in un-rated fixed income securities.

The Sub-Fund may invest directly or indirectly in bonds, notes and other fixed-income and floating-rate secured or unsecured transferable securities (including floating rate notes, convertibles bonds and warrants issues whose warrants entitle the holder to subscribe transferable securities) and up to 20% of its assets in contingent convertible securities.

The Sub-Fund may also invest in shares or units of UCITS and/or other UCIs as defined in **Part I, Section 2.1 e)** of this Prospectus.

From time to time as decided by the Management Company, the Sub-Fund may invest up to 10% of its assets into equities without geographical restrictions. Equities and dividend-right certificates (qualifying as transferable securities in accordance with article 41 (1) of the UCI Law) acquired through the exercise of conversion and subscription rights or warrants, as well as warrants remaining after the separate sale of ex-issues and any equities acquired with these warrants at a later date may not exceed 10% of the Sub-Fund's net assets and are to be sold within 12 months of their acquisition.

The Sub-Fund will invest at least 25% of its assets in securities denominated in USD. The Sub-Fund may invest up to a maximum of 75% of its assets in securities denominated in other currencies than USD. The Sub-Fund reserves the right to enter into currency hedging transactions in connection with any non-USD investments to seek to mitigate currency fluctuations.

Moreover, the Sub-Fund may, subject to the conditions set forth in **Part I, Section 3.2**, buy or sell futures and options on financial instruments or conduct transactions involving options on securities for investment purposes.

The Sub-Fund will not invest in asset-backed securities (**ABS**) nor in mortgage backed securities (**MBS**).

## OAS Zontik SICAV – OAS Fixed Income

<p>The investment manager does not perform an analysis of the adverse impact of sustainability factors on investment decisions, as investment decisions are not made on the basis of sustainability factors. The possible inclusion of environmental, social and governance (ESG) ratings or reports is for information purposes only.</p> <p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>No index has been designated for the Sub-Fund as a <b>reference benchmark</b>.</p>	
<b>Investor Profile</b>	<p>The Sub-Fund is intended for retail and Institutional Investors.</p> <p>The recommended investment horizon is long-term.</p> <p>The Sub-Fund may be attractive for Investors who:</p> <ul style="list-style-type: none"> <li>▪ seek both capital security and liquidity of assets;</li> <li>▪ seek capital appreciation over the long term; and</li> <li>▪ accept the risks associated with this type of investment.</li> </ul>
<b>Risk factors</b>	<p>The Sub-Fund may be subject to various risks which may vary from time to time. The following risks may be materially relevant to the Sub-Fund, for which a full description is available in <b>Part I, Section 2 (Risk Factors)</b>:</p> <ul style="list-style-type: none"> <li>▪ Contingent convertible securities;</li> <li>▪ Convertible securities;</li> <li>▪ Counterparty risk;</li> <li>▪ Credit risk;</li> <li>▪ Equity securities risk;</li> <li>▪ Emerging markets risk</li> <li>▪ Financial derivative instruments risk;</li> <li>▪ Foreign currency risk;</li> <li>▪ Fixed income securities risk;</li> <li>▪ Hedged strategies risk;</li> <li>▪ Non-investment grade or low rated securities risk.</li> </ul>
<b>Service Providers</b>	
<b>Investment Manager</b>	<p>OASIS WEALTH MANAGEMENT LIMITED Stasinou 23 1st floor flat/office 101, Egkomi, 2404 Nicosia, Cyprus</p> <p>The asset classes managed are money market, fixed income, equity and alternative investments.</p> <p>OASIS Wealth Management Limited is a private limited liability company. The asset classes managed are money market, fixed income, equity and alternative investments.</p>
<b>Other main features</b>	
<b>Duration</b>	Unlimited
<b>Minimum size at launch</b>	USD 10 Million
<b>Reference Currency</b>	USD

## OAS Zontik SICAV – OAS Fixed Income

<b>Global Exposure</b>	Commitment approach
<b>Net Asset Value</b>	
<b>Liquidity</b>	Weekly
<b>Valuation Day</b>	The Net Asset Value per Share of each Share Class in the Sub-Fund is determined weekly on each Wednesday. If such a day is not a Luxembourg Business Day, on the following Luxembourg Business Day.

<b>Publication</b>	Fundsquare and on the website of the Management Company <a href="http://www.mcsquare.lu">www.mcsquare.lu</a>		
<b>Shares</b>			
<b>ISIN</b>	Class B	LU1102789937	
	Class C	(...)	
	Class D	(...)	
<b>Eligibility</b>	Class B	Retail Investors	
	Class C	Retail Investors	
	Class D	Retail Investors	
<b>Reference Currency and Hedging</b>	<b>Share Class</b>	<b>Reference Currency</b>	<b>Hedged</b>
	Class B	USD	No
	Class C	USD	No
	Class D	EUR	No
<b>Minimum Subscription</b>	<b>Share Class</b>	<b>Min. initial subscription</b>	<b>Min. subsequent subscription</b>
	Class B	USD 10,000	N.A
	Class C	USD 10,000	N.A
	Class D	EUR 10,000	N.A
<b>Dividend policy</b>	<b>Share Class</b>	<b>Dividend Policy</b>	<b>Frequency of distribution</b>
	Class B	Distribution Shares	Twice per year
	For the avoidance of doubt, the distribution policy and frequency disclosed is only indicative and does not bind the Board of Directors which may distribute dividends at another frequency or not distribute dividends at all.		
	<b>Share Class</b>	<b>Dividend Policy</b>	<b>Frequency of distribution</b>
	Class C	Accumulation	N.A
	Class D	Accumulation	N.A
	Shares are offered with accumulation of income and accordingly, no distribution of income through the declaration of dividends will be made.		
	<b>Share Class</b>	<b>Initial Price</b>	<b>Initial Offering Period</b>
	Class B	USD 1,000	18 August 2014 to 25 August 2014 or such earlier or later date decided by the Board of Directors. Payment of the initial subscription price must be received at the latest on 25 August 2014 or such earlier or later date as the Board of Directors may decide and made available at the registered office of the Fund and the Management Company.

**OAS Zontik SICAV – OAS Fixed Income**

	Class C	USD 1,000	The initial offering period will be determined by the Board of Directors.
	Class D	EUR 1,000	The initial offering period will be determined by the Board of Directors.
<b>Relevant Cut-Offs</b>	<b>Order</b>	<b>Cut-Off Time for receipt of order</b>	<b>Cut-Off Time for payment</b>
	<b>Subscriptions</b>	The Luxembourg Business Day before the Valuation Day at 4:00 p.m. (CET)	The Luxembourg Business Day before the Valuation Day at 4:00 p.m. (CET)
	<b>Redemptions</b>		Four (4) Luxembourg Business Days following the applicable Valuation Day.
<b>Fees paid by Shareholders</b>			
	<b>Type of fee</b>	<b>Fee</b>	<b>Beneficiary</b>
	<b>Subscription fee</b>	Up to 3%*	To the benefit of the relevant intermediary.
	<b>Redemption fee</b>	Up to 2%* if redeemed within one month after purchase Up to 1%* if redeemed within 1 to 3 months after purchase Thereafter, no redemption fee will apply.	To the benefit of the Sub-Fund or Share Class.
	<b>Conversion fee</b>	NA	NA
<b>Fees incurred by the Sub-Fund</b>			
<b>Management Fee</b>	Class B	Up to 0.8%* p.a.	
	Class C	Up to 0.8%* p.a.	
	Class D	Up to 0.8%* p.a.	
<b>Performance fee</b>	Class B	0%	
	Class C	0%	
	Class D	0%	
<b>Distribution Fee</b>	Class B	0%	
	Class C	0%	
	Class D	0%	
*of the average net assets of the Sub-Fund/Share Class before deduction of the fee concerned by such calculation			