VG SICAV

Société d'Investissement à Capital Variable

44, Rue de la Vallée, L – 2661 Luxembourg

PROSPECTUS

30 September 2021

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PRINCIPAL FEATURES

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

- *VG SICAV* (the "Fund") is an open-ended investment company incorporated under the Laws of the Grand Duchy of Luxembourg as a *"Société d'Investissement à Capital Variable"* with several separate Sub-Funds (each of them hereinafter referred to as a "Sub-Fund").

- As a result, the Fund is an Umbrella Fund enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

- For the purposes of the relations between shareholders, each Sub-Fund shall be treated as a single entity with its own funding, capital gains/losses, expenses and Net Asset Value ("NAV") calculation. The Fund is considered as one single legal entity. However, notwithstanding the article 2093 of the Luxembourg Civil code, the assets of one Sub-Fund are only responsible for all debts, engagements and obligations attributable to this Sub-Fund.

- The Fund will mainly invest in transferable securities.

- The Fund provides access to long-standing investment management expertise. The Fund may create new Sub-Funds at any time whose investment objectives may differ from those of the Sub-Funds then existing. The Prospectus will consequently be updated. Depending on the Sub-Fund, it will invest principally in transferable securities, all in compliance with the 2010 Law.

- The Fund is offering shares of several Sub-Funds (the "Shares") on the basis of the information contained in the Prospectus and in the documents referred to therein. No person is authorized to give any information or to make any representations concerning the Fund other than as contained in the Prospectus and in the documents referred to therein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser.

- Pursuant to the Articles, the Board of Directors of the Fund may decide to issue, within each Sub-Fund, separate classes of shares (the "Classes of Shares" or each a "Class of Shares") whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.

- Shares of the different Classes/Categories may be issued, redeemed and converted at prices computed on the basis of the NAV per Share in the relevant Class/Category as defined in the Articles, including any applicable charges.

- The NAV per Share is calculated on the basis of the net assets of the Sub-Fund in respect of which the Share is issued and therefore the value of Shares in the Fund may differ from one Sub-Fund to another.

- The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself about and to observe all applicable laws and regulations of relevant jurisdictions.

- The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

- **USA** - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"); the Shares may therefore not be publicly offered or sold in the United States of America, or in any of its territories or possessions subject to its jurisdiction or to or for the benefit of a United States person as such word is defined by Article 11 of the Articles.

- **Switzerland** – The Fund has not been authorized to be distributed to the public in Switzerland under the Swiss Collective Investment Schemes Acts of 23 June, 2006 which entered into force on 1 January, 2007. The relating Shares may therefore only be distributed in accordance with the law and practice of the Swiss Federal Banking Commission as valid from time to time.

- It should be remembered that the price of Shares and the income from them may fall as well as rise.

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

- Minimum Initial Investment – Means the minimum number of shares or amount to be subscribed by an investor in relation with a first investment in a sub-fund/share class, as specified in the *Appendix I – Sub-Funds Features.*

- The Accounting Currency of the Fund used for the financial statements of the Fund, is the EUR. On the other hand, the NAV per Share and the individual information on each Sub-Fund included in the financial statements of the Fund are denominated in the Reference Currency of the relevant Sub-Fund.

- Further copies of this Prospectus and copies of the following documents may be obtained during usual business hours on any Business Day at the registered office of the Fund, 44, rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg:

    - the Articles;
    - the Fund Management Agreement with the Management Company referred to under Section "Management and Administration";
    - the agreement with the Investment Advisor referred to under Section "Management and Administration";
    - the agreements on services referred to under paragraph 7 headed "Depositary" and paragraph 8 headed "Administrative Agent and Registrar and Transfer Agent";
    - the reports and accounts referred to under Section "Taxation".

- Data Protection Policy

Data Protection

- The Fund together with the Management Company, may store on computer systems and process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, the "Personal Data") concerning the Shareholders and their representative(s) (including, without limitation, legal representatives and authorized signatories), employees, directors, officers, trustees, settlors, their shareholders, and/or unitholders for, nominees and/or ultimate beneficial owner(s) (as applicable) (i.e. the "Data Subjects").

- Personal Data provided or collected in connection with an investment in the Fund will be processed by the Fund, as data controller (i.e. the "Controller ") and by the Management Company, the Depositary and Paying Agent, the Administrative Agent, the Distributor and its appointed sub-distributors if any, the Auditor, legal and financial advisers and other potential service providers of the Fund (including its information technology providers, cloud service providers and external processing centres) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as processor on behalf of the Fund (i.e. the "Processors"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as controller, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

- Controller and Processors will process Personal Data in accordance with Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "Data Protection Directive") as transposed in applicable local laws applicable to them and, when applicable, the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "General Data Protection Regulation", as well as any law or regulation relating to the protection of personal data applicable to them (together the "Data Protection Law").

- Further information relating to the processing of Personal Data of Data Subjects may be provided or made available, on an ongoing basis, through additional documentation and/or, through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow the Controller and/or Processors to comply with their obligations of information according to Data Protection Law.

- Personal Data may include, without limitation, the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount, KYC information of Data Subjects and any other Personal Data that is necessary to Controller and Processors for the purposes described below. Personal Data is collected directly from Data Subjects by the Processors or through publicly accessible sources, social media, subscription services, worldcheck database, sanction lists, centralized investor database, public registers or other publicly accessible sources.

- Personal Data of Data Subjects will be processed by the Controller and Processors for the purposes of (i) offering investment in Shares and performing the related services as contemplated under this Prospectus, the Subscription Form, the Depositary agreement and the Administrative Agent Agreement, including, but not limited to, the opening of your account with the Fund, the management and administration of your Shares and any related account on an on-going basis and the operation of the Fund's investment in Sub-Funds, including processing subscriptions and redemptions, conversion, transfer and additional subscription request, the administration and payment of distribution fees (if any), payments to Shareholders, updating and maintaining records and fee calculation, maintaining the register of Shareholders, providing financial and other information to the Shareholders, (ii) developing and processing the business relationship with the Processors and optimizing their internal business organisation and operations, including the management of risk, (and, (iii) other related services rendered by any service provider of the Controller and/or Processors in connection with the holding of Shares in the Fund (hereafter the "Purposes").

- Personal Data will also be processed by the Controller and Processors to comply with legal or regulatory obligations applicable to them and to pursue their legitimate interests or to carry out any other form of cooperation with, or reporting to, public authorities including, but not limited to, legal obligations under applicable fund and company law, prevention of terrorism financing law, anti-money laundering law, prevention and detection of crime, tax law (such as reporting to the tax authorities under FATCA and CRS Law to prevent tax evasion and fraud) (as applicable), and to prevent fraud, bribery, corruption and the provision of financial and other services to persons subject to economic or trade sanctions on an on-going basis in accordance with the anti-money laundering procedures of the Controller and Processors, as well as to retain AML and other records of the Data Subjects for the purpose of screening by the Controller and Processors, including in relation to other funds or clients of the Management Company and the Administrative Agent (hereafter the "Compliance Obligations").

- Telephone conversations and electronic communications made to and received from the Management Company /or the Administrative Agent may be recorded by the Fund acting as controllers and / or by the Management Company /or the Administrative Agent, acting as processor

on behalf of the Controller where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Controller's legitimate interests, including (i) for record keeping as proof of a transaction or related communication in the event of a disagreement, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Controller's and Processors' interests or rights in compliance with any legal obligation to which they are subject and (v) for quality, business analysis, training and related purposes to improve the Controller and Processors relationship with the Shareholders in general. Such recordings will be processed in accordance with Data Protection Law and shall not be released to third parties, except in cases where the Controller and/or Processors are compelled or entitled by laws or regulations applicable to them or court order to do so. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Processors.

- Controller and Processors will collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) as a result of the subscription or request for subscription of the Shareholders to invest in the Fund where necessary to perform the Investment Services or to take steps at the request of the Shareholders prior to such subscription, including as a result of the holding of Shares in general and/or; (ii) where necessary to comply with a legal or regulatory obligation of the Controller or Processors and/or; (iii) where necessary for the performance of a task carried out in the public interest and/or; (iv) where necessary for the purposes of the legitimate interests pursued by Controller or and by the Processors, which mainly consist in the performance of the investment and administrative services, including where the subscription agreement is not entered into directly by the Shareholders or, or, in complying with the Compliance Obligations and/or any order of a foreign court, government, supervisory, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding Shares directly or indirectly in the Fund.

- Personal Data will only be disclosed to and/or transferred to and/or otherwise accessed by the Processors, and/or any target entities, sub-funds and/or other funds and/or their related entities (including without limitation their respective general partner and/or management company and/or central administration / investment manager / service providers) in or through which the Fund intends to invest, as well as any court, governmental, supervisory or regulatory bodies, including tax authorities in Luxembourg or in various jurisdictions, in particular those jurisdictions where (i) the Fund is or is seeking to be registered for public or limited offering of its Shares, (ii) the Shareholders are resident, domiciled or citizens or (iii) the Fund is, or is seeking to, be registered, licensed or otherwise authorised to invest for carrying out the Purposes and to comply with the Compliance Obligations (i.e. the "Authorised Recipients"). The Authorised Recipients may act as processor on behalf of Controller or, in certain circumstances, as controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with laws and regulations applicable to them and/or order of court, government, supervisory or regulatory body, including tax authority.

- Controller undertakes not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Shareholders from time to time or if required by applicable laws

and regulations applicable to it or, by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

- By investing in Shares in the Fund, the Shareholders acknowledge and accept that Personal Data of Data Subjects may be processed for the Purposes and Compliance Obligations described above and in particular, that the transfer and disclosure of such Personal Data may take place to the Authorised Recipients, including the Processors, which may be located outside of the European Union, in countries which are not subject to an adequacy decision of the European Commission and which legislation does not ensure an adequate level of protection ensure an adequate level of protection as regards the processing of personal data. Controller will only transfer Personal Data of Data Subjects for performing the Purposes or for complying with the Compliance Obligations.

- Controllers will transfer Personal Data of the Data Subjects to the Authorised Recipients located outside of the European Union (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) in the event it is required by any judgment of a court or tribunal or any decision of an administrative authority, Personal Data of Data Subjects will be transferred on the basis of an international agreement entered into between the European Union or a concerned member state and other jurisdictions worldwide or, (iii) where necessary for the Processors to perform their services rendered in connection with the Purposes which are in the interest of the Data Subjects or, (iv) where necessary for the establishment, exercise or defence of legal claims or, or, (v) where necessary for the purposes of compelling legitimate interests pursued by the Controller, to the extent permitted by Data Protection Law or (vi) where specifically agreed on between the Data Controller and/or Data Processor and/or Data Subject.

- Insofar as Personal Data provided by the Shareholders include Personal Data concerning other Data Subjects, the Shareholders represent that they have authority to provide such Personal Data of other Data Subjects to the Controller[s]. If the Shareholders are not natural persons, they must undertake to (i) inform any such other Data Subject about the processing of their Personal Data and their related rights as described under this Issuing Document, in accordance with the information requirements under the Data Protection Law and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data of other Data Subjects as described under this Issuing Document in accordance with the requirement of Data Protection Law.

- Answering questions and requests with respect to the Data Subjects' identification and Shares held in the Fund, FATCA and/or CRS is mandatory. The Board of Directors / the Administrative Agent reserves the right to reject any application for Shares if the prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. The Shareholders acknowledge and accept that failure to provide relevant Personal Data requested by the Board of Directors, the Administrative Agent in the course of their relationship with the Fund may prevent them from acquiring or maintaining their Shares in the Fund and may be reported by the Board of Directors, the Administrative Agent to the relevant Luxembourg authorities. In addition, failure to provide the requested Personal Data could lead to penalties which may affect the value of the Shareholders' Shares.

- The Shareholders acknowledge and accept that the Board of Directors / the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in FATCA and CRS, at OECD and European levels or equivalent Luxembourg legislation.

- Each Data Subject may request, in the manner and subject to the limitations prescribed in accordance with Data Protection Law, (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller and, (iv) to obtain a copy of, or access to, the appropriate or suitable safeguards, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism, which have been implemented for transferring the Personal Data outside of the European Union. In particular, Data Subjects may at any time object, on request, to the processing of Personal Data concerning them for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controller or Processors. Each Data Subject should address such requests to the Fund via post mail or via e-mail.

- The Shareholders are entitled to address any claim relating to the processing of their Personal Data carried out by Controller in relation with the performance of the Purposes or compliance with the Compliance Obligations to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

- The Controller and Processors processing Personal Data on behalf of the Controller will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of the Controller or such Processors.

Personal Data of Data Subjects is held until Shareholders cease to have Shares in the Fund and a subsequent period of 10 years thereafter where necessary to comply with laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by laws and regulations applicable to them. In any case, Personal Data of Data Subjects will not be held for longer than necessary with regard to the Purposes and Compliance Obligations contemplated in this Issuing Document, subject always to applicable legal minimum retention periods.

GLOSSARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

1915 Law	The Luxembourg law of 10th August 1915 on commercial companies, as amended from time to time.
2010 Law	The Luxembourg law of 17th December 2010 on undertakings for collective investment, as amended from time to time.
Accounting Currency	The currency of consolidation of the Fund. The consolidated financial statements of the Fund are expressed in EUR.
AML-CTF Laws and Regulations	AML/CTF Laws and Regulations: international rules and applicable Luxembourg laws and regulations, such as the law dated 12 November 2004 (as amended in particular by the law dated 17 July 2008, the law dated 27 October 2010 and the law dated 13 February 2018), the Grand Ducal Regulation of 1 February 2010, the Grand Ducal Regulation of 29 October 2010, the CSSF Regulation No 12-02 and all the implementing measures, regulations and circulars issued in particular by the EU or by the CSSF made thereunder (as may be amended or supplemented from time to time) and/or any other anti-money laundering, counter terrorist financing and counter financing of proliferation of weapons of mass destruction laws or regulations which may be applicable.
Articles	The articles of incorporation of the Fund.
Asset-Backed Securities (ABS) & Mortgage-Backed Securities (MBS)	ABS and MBS are generic terms generally used to describe the securities resulting from the securitisation mechanism. Depending on the nature of the underlying asset and with no restrictions on its nature, these may include securities backed by equipment assets (aircraft, ships, etc.) (EETC, Enhanced Equipment Trust Certificates), by loans associated with residential (RMBS, Residential Mortgage-Backed Securities) or commercial (CMBS, Commercial Mortgage-Backed Securities) property, loans or bonds issued by financial or manufacturing companies, debt portfolios, bank loans (CLO, Collateralised Loan Obligations), consumer loans, business or miscellaneous assets, and Credit Linked Notes (CLN) pool loans that are packaged and sold as securities. The types

	of loans include notably credit card receivables, auto loans, home equity loans, student loans. Unless otherwise specified in the "Sub-Funds Details", the Sub-Fund will invest in ABS/MBS with a minimum rating "A" by Standard & Poor, "A2" by Moody's, or Fitch equivalent.
BMR	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds Regulation (EU) and amending Directives 2008/48/EC and 2014/17/EU and Regulation No 596/2014.
Business Day	Any full day on which banks are open for business in Luxembourg.
Board of Directors	The Board of Directors of the Fund.
Categories	Each Class of Shares may be further subdivided into two Categories of Shares, being Distribution shares and Accumulation shares, as further described under Section "Distribution policy".
Classes	Pursuant to the Articles, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.
CoCos	Contingent convertible capital instruments (CoCos) are hybrid capital securities because they have the following characteristics of bonds: a. they are subordinated debt instruments; b. payment of interest may be suspended in a discretionary manner or depending on an external target set in the issuance contract; And the following characteristics of shares, because these are convertible hybrid instruments: a. conversion can take a variety of forms (especially into shares); b. the trigger factor of the conversion is set with the aim of protecting the banks' capital. CoCos absorb losses when the capital of the issuing bank falls below a certain level. CoCos have two main defining characteristics: the loss absorption mechanism and the trigger that activates that mechanism (contractual trigger and /or at the point of

	non-viability: essentially a write-down or equity conversion based on regulatory discretion).
Conversion of Shares	Unless specifically indicated to the contrary for any Sub-Fund/Classes of shares and subject to compliance with any eligibility conditions, Shareholders may at any time request conversion of their shares into shares of another existing Sub-Fund/Class of shares on the basis of the net asset values of the shares of both Sub-Funds/Classes of shares concerned, determined as of the common applicable Valuation Day.
CSSF	*Commission de Surveillance du Secteur Financier* – The Luxembourg Supervisory Authority.
Currency Hedged Share Class	A Share Class denominated in a different currency than the Reference Currency of the relevant Sub-Fund for which the Fund/the Investment Manager utilises currency risk hedging arrangements in order to systematically limit investor's currency risk by reducing the effect of the exchange rate fluctuations between the Reference Currency and the currency to which the investor wishes to be exposed, in compliance with ESMA Opinion 34-43-296 dated 30th January 2017. The Investment Manager will ensure to hedge such risk between 95-105 % of the value of each Currency Hedged Share Class.
Depositary	BANQUE DE LUXEMBOURG (the "Depositary").
Denomination Currency	The currency in which a Class of Shares can be denominated and which can differ from the Reference Currency, as further detailed in the Appendix I - "Sub-Funds Features".
Eligible Market	A Regulated Market in an Eligible State.
Eligible State	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania.
EMIR	EU Regulation No 648/2012 of 4th July 2012 on OTC derivatives, central counterparties and trade repositories, known as European Market Infrastructure Regulation.
ESG	Means respectively Environmental, Social and Governance and refers to three groups of indicators used to screen the level of sustainability and societal impact of an investment decision.
EU	The European Union.

EUR	The lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty on the Functioning of the European Union. The consolidated financial statements of the Fund are expressed in EUR. The NAV per Share in each Sub-Fund is denominated in the reference currency of the relevant Sub-Fund.
Exchange Traded Funds (ETFs)	Exchange traded products that are structured and regulated as mutual funds or collective investment schemes. Most ETFs are UCITS compliant collective investment schemes. UCITS are not allowed to invest in physical commodities but they are able to use synthetic index replication to obtain exposure to broad commodity indices that satisfy the relevant diversification requirements. United States ETFs (open-ended US ETFs subject to the Investment Company Act of 1940 which qualify as a "Diversified Fund") are qualified as other UCIs in the meaning of the 2010 Law provided they meet all the requirements set forth in article 41(1) e) of the 2010 Law, including the requirement that the rules on assets segregation, borrowing, lending and uncovered sales are equivalent to the UCITS requirements (such requirements should be considered satisfied after an appropriate eligibility analysis enabling to conclude that the US ETF actually complies in all material respects with the UCITS restrictions, or by means of a written confirmation of the US ETF or its manager).
Exchange Traded Commodities (ETCs)	ETCs are traded and settled like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC may be physically backed by the underlying commodity (e.g. precious metals) – but in any case no physical delivery should be considered - or uses fully collateralized swaps or futures to synthetically replicate the index return, The Fund will only invest in ETCs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2. of the Grand-ducal Regulation of 8 February 2008 and the article 17 of the CESR / 07-044b. Furthermore when ETCs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8 February 2008.
FATCA	Means the Foreign Account Tax Compliance Act such as enacted and adopted by the United States of America on March 18, 2010, requiring US individuals to report their financial accounts held outside of the United States and foreign financial institutions to report to the Internal Revenue Service, or the tax authority in their jurisdiction of domicile, information about their US clients.

FATF	Financial Action Task Force (also referred to as Groupe d'Action Financière).
Fund	VG SICAV, an investment company organised under Luxembourg law as a *société anonyme* qualifying as a société d'investissement à capital variable ("SICAV"). It may comprise several Sub-Funds.
GIIN	Global Intermediary Identification Number(s)
Global Management and Distribution Fee	The Global Management and Distribution Fee is the expenses paid out of the Fund assets which includes the remuneration of the Management Company, the Investment manager(s), the Investment Advisor(s), if any, and all the Fund distributors and financial intermediaries involved in the Fund's distribution and marketing, as further described in the Section "CHARGES AND EXPENSES.
Grand-ducal Regulation of 8 February 2008	Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.
Institutional Investors	Any investors, within the meaning of Article 174 (II) of the 2010 Law, which are legal entities, included, but not limited to, insurance companies, pension funds, credit establishments and other professionals in the financial sector investing either on their own behalf or on behalf of their clients who are also investors within the meaning of this definition or under discretionary management, Luxembourg and foreign collective investment schemes and qualified holding companies.
Investment Advisor	The Management Company may appoint an investment advisor for one or all the Sub-Funds in order to advise and make recommendations regarding the selection of securities and other permitted assets to be acquired by any Sub-Fund in line with the investment policy of the relevant Sub-Fund.
Investment Manager	The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of

	the Sub-Funds to one or several investments managers, subject to the prior approval of the Luxembourg Supervisory Authority.
IRS	U.S. Internal Revenue Service
Issue of shares	The Offering Price per share of each Sub-Fund will be the net asset value per share of such Sub-Fund determined as of the applicable Valuation Day plus the applicable dealing charge.
KiiD	Key Investor Information Document.
Management Company	Link Fund Solutions (Luxembourg) S.A. has been appointed as the management company of the Fund to be responsible on a day-to-day basis, under supervision of the Board of Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.
Member State	A member state of the European Union.
MiFID II	The EU's re-cast Markets in Financial Instruments Directive (2014/65/EU) (the "**MiFID II Directive**"), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID II Directive, and the EU's Markets in Financial Instruments Regulation (600/2014) (together, "**MiFID II**").
Redemption of shares	Shareholders may at any time request redemption of their shares, at a price equal to the net asset value per share of the Sub-Fund concerned, determined as of the applicable Valuation Day less any redemption fee as disclosed in the Section "Sub-Fund details" to this Prospectus for a specific Sub-Fund.
Reference Currency	The currency in which the Net Asset Value of each Sub-Fund is denominated, as specified for each Sub-Fund in the relevant section.
Regulated Market	A market that meets the requirements stated in item 21 of Article 4 of the European Parliament and the Council Directive 2014/EU of 15 May 2014 on markets in financial instruments (and amending Directive 2002/92/EC and Directive 2011/61/EU) as well as any other market in an Eligible State which is regulated, operates regularly and is recognised and open to the public..

SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
SFTs	Securities Financing Transactions, such as securities lending, borrowing of securities or commodities, repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions.
Shares	Shares of each Sub-Fund are offered in registered form and all shares must be fully paid up. Fractions of shares will be issued up to four (4) decimals. Shares may also be held through accounts maintained with clearing houses.
Sub-Funds	The Fund offers investors, within the same investment vehicle, a choice between several Sub-Funds which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Section "Sub-Funds Details" and in Appendix I – Sub-Funds features to this Prospectus. The Board of Directors of the Fund may, at any time, decide the creation of further Sub-Funds and in such case, this Prospectus will be updated. Each Sub-Fund may have one or more classes of shares.
Target Funds	Eligible units/shares of UCITS, UCIs and/or ETFs as defined in the Section "Investment and borrowing restrictions" paragraph (1) c) of the Prospectus, which follow the diversification rules as disclosed in the Section "Investment and borrowing restrictions" paragraph VI a) of the Prospectus, and as per the meaning of and pursuant to limits set by articles 41 (1) e) and 46 of the 2010 Law.
UCI	Undertaking for Collective Investment.
UCITS	Undertaking for Collective Investment in Transferable Securities.
UCITS Directive	The Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by the Directive

	2014/91/EU of the European Parliament and of the Council of 23 July 2014 (UCITS V).
USD	Legal currency respectively of the United States of America
Valuation Day	The Valuation Day is the Business Day on which the net asset value ("NAV") is dated. The NAV is calculated as of the first Business Day following the Valuation Day. The prices used are those of the Valuation Day. A Valuation Day for all Sub-Funds might be any day on which banks in Luxembourg are normally open for business unless otherwise defined in Appendix I – Sub-Funds features to this Prospectus for a specific Sub-Fund. The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and Appendix I – Sub-Funds features to this Prospectus will be updated accordingly.

Words or expressions used in the Prospectus that are not specifically defined in this Glossary shall have the same meaning as those defined in the 2010 Law.

PRINCIPAL AGENTS OF THE FUND

Board of Directors

Chairman
Mrs. Margherita Balerna Bommartini
Subsidiary CEO
CASA4FUNDS SAGL
Via Luciano Zuccoli no. 19 in Paradiso (Lugano)
CH-6900 Paradiso (Switzerland)

Directors

Mr. Alessandro Castagnetti
Managing Director
VG ASSET MANAGEMENT S.A.
Via C. Maraini 1, CH-6900 Lugano (Switzerland)

Mr. Fabio Rocca
VG ASSET MANAGEMENT S.A.
Via C. Maraini 1, CH-6900 Lugano (Switzerland)

Registered office of the Fund

44, Rue de la Vallée
L-2661 Luxembourg

R.C.S. Luxembourg: B 85.531

Management Company
Link Fund Solutions (Luxembourg) S.A.
19-21, route d'Arlon
L-8009 Strassen

Board of directors of the Management Company
Jean-Luc Neyens – Link Fund Solutions (Luxembourg) S.A., Luxembourg – Managing Director
Joseph O'Donnell – Link Fund Manager Solutions Ireland Limited, Ireland – Head of Risk
Monique Bachner – Bachner Legal, Luxembourg – Independent Director
Christopher Addenbrooke – LF Solutions Holdings Limited, United Kingdom – Chief Executive Officer
Arnaud Bouteiller – Link Fund Solutions (Luxembourg) S.A., Luxembourg – Conducting Officer

Depositary
BANQUE DE LUXEMBOURG
14, Boulevard Royal
L-2449 Luxembourg

Administrative Agent, Registrar and Transfer Agent
EUROPEAN FUND ADMINISTRATION S.A. ("EFA")
2, rue d'Alsace
L-1122 Luxembourg

Investment Manager
HANSON ASSET MANAGEMENT LTD
2nd Floor, 6 Arlington Street,
London SW1A 1RE (United Kingdom)

Investment Advisor
VG ASSET MANAGEMENT S.A.
Via Clemente Maraini 1
CH-6900 Lugano (Switzerland)

Auditors
DELOITTE AUDIT S.A R.L.
20 Boulevard de Kockelscheur
L-1821 Luxembourg

MANAGEMENT AND ADMINISTRATION

1. Board of Directors

The appointed directors are:

- Mrs. Margherita Balerna Bommartini (Chairman)
- Mr. Alessandro Castagnetti
- Mr. Fabio Rocca

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers expressly assigned by law to the general meetings of shareholders.

The Board of Directors is responsible for the investment objectives and policies of each Sub-Fund and for the investment management and administration of the Fund.

2. Management Company

The Board of Directors has appointed Link Fund Solutions (Luxembourg) S.A. as the Management Company, by mean of a Fund Management Agreement dated of 1st April 2012, as amended from time to time, to be responsible on a day-to-day basis, under supervision of the directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company was incorporated on 6 August 2018 as a société anonyme under Luxembourg law for an indeterminate period and is registered with the Luxembourg Trade Register under number B 226 846. The articles of incorporation have been published in the RESA on 14 September 2018.

The Management Company has a fully paid-up share capital of EUR 11,425,000.

The Management Company shall have the exclusive authority with regard to any decisions in respect of the Fund or any Sub-Funds and provides investment management, administration and distribution services to the Fund. The Management Company will manage the assets of the Fund or any Sub-Fund in compliance with the Articles of Incorporation for the sole benefit of the shareholders. The Management Company may delegate certain functions to third parties in accordance with applicable laws.

In compliance with the provisions of chapter 15 of the UCI Law and CSSF Circular 18/698, the effective conduct of the business of the Management Company has been granted to at least two (2) day-to-day managers.

Furthermore, the Management Company can obtain advice from one or more investment advisers and/or may appoint different investment managers that receive a fee from the assets of the Fund in return.

The Management Company has established and applies a remuneration policy (the "Remuneration Policy") and practices that are consistent with, and promote, sound and effective risk management and that never encourage risk taking which is inconsistent with the risk profiles, rules or articles of incorporation of the funds it manages.

The Remuneration Policy sets out the legal and regulatory requirements, as well as the related actions, which the Management Company has to comply with in order to meet its obligations, in the area of remuneration as a Management Company authorised under Chapter 15 of the Law of the 2010 Law and as an alternative investment fund manager ("AIFM") authorised under the law of 12 July 2013 relating to alternative investment fund managers, as amended (the "AIFM Law").

The Remuneration Policy integrates the provisions of the European directives and regulations and laws related to remuneration and corporate governance, the ESMA Guidelines 2013/232 of 3 July 2013 on sound remuneration policies under the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (the "AIFMD"), the ESMA final report 2016/411 of 31 March 2016 on the guidelines on sound remuneration policies (the "ESMA Final Report") under the UCITS Directive and AIFMD.

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the funds managed by the Management Company.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the funds managed by the Management Company and their shareholders and includes measures to avoid conflicts of interest.

With regard to the service providers appointed under the Management Company delegation and as applicable, the Management Company only delegates its portfolio management function to delegates:

- subject to regulatory requirements on remuneration that are equally as effective as those under the AIFM Law and the 2010 Law; or

- for which appropriate contractual arrangements are enforced in order to ensure that there is no circumvention of the remuneration rules with respect to payments to identified staff within the delegate. Compliance with regulatory requirements will be assessed by the Management Company through its oversight function.

The assessment of performance is set in a multi-year framework in order to ensure that the focus is set on the longer-term performance of the Management Company and its investment risks.

Assessed criteria are both quantitative and qualitative to ensure that any risk-taking activities or behaviour is not fostered.

The fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Compensation of the staff engaged in control functions is made in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control.

The Remuneration Policy is available on the website of the Management Company at https://ww2.linkgroup.eu/lfsl/policies/, and a paper copy will be made available free of charge upon request.

3. Conflicts of Interest

The Management Company may from time to time act as management company or investment manager to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund.

The Board of Directors and/or the Management Company will (in the event that any conflict of interest actually arises) endeavor to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavor to ensure that it is resolved in a fair manner and in the best interests of the Fund.

4. Selling Agents, Distributors and Nominees

The Management Company may enter into Distribution Agreements with Distributors pursuant to the terms of which such Distributors will seek qualified investors who will invest in Shares of the Fund, and Selling Agreements with Selling Agents responsible for the introduction to the Fund of persons who will purchase Shares of the Fund.

Distributors/Selling Agent(s) shall be responsible to the Management Company for ensuring, among other things, that the offering of Shares is made in accordance with applicable laws. The Management Company may, at any time, require them to make representations and warranties in this respect.

Distributors may be appointed for the purpose of assisting the Management Company in the distribution of the Shares of the Fund in the countries in which they are marketed.

Certain Distributors may not offer all of the Sub-Funds/Classes of Shares or all of the subscription/ redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

Investors can subscribe Shares in a Sub-Fund directly from the Fund. Investors may also purchase Shares in a Sub-Fund by using the nominee services offered by the Distributors or by the Local Paying Agents. A Distributor or a Local Paying Agent then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or Local Paying Agent then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and Local Paying Agents that offer nominee services are either seated in countries that have ratified the resolutions adopted by the FATF or *Groupe d'action financière internationale* ("GAFI") or execute transactions through a correspondent bank seated in a FATF country. Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or Local Paying Agent offering the Nominee-Service.

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

For the Italian market only the Local Paying Agent may group the subscription, conversion and redemption requests, and forward such requests to the Fund on a cumulative basis, in the name of the Local Paying Agent and on behalf of the investors. In this case, the Shares will be registered in the Fund's Shareholder register in the name of the Local Paying Agent, with the diction "on behalf of third party" or the equivalent. In the Application Form, the investors will grant to the Local Paying Agent the relevant mandate.

A list of the Distributors and Nominee shall be at disposal at the Fund registered office.

Any Investor shall self-certify its FATCA status to the Fund (or its delegates) via the forms prescribed by the FATCA regulations in force in the relevant jurisdiction (e.g. through the W8, W9 or equivalent filling forms) to be renewed regularly or provide the Fund (or its delegates) with their GIIN numbers if the Investors are FFIs. The Investors shall inform the Fund (or its delegates) of a change of circumstances in their FATCA status immediately in writing in order to ensure correct reporting.

It is the responsibility of the Nominee to identify its clients for FATCA purposes.

The Investors/Distributors that either have not properly documented their FATCA status as requested or have refused to disclose such a FATCA status within tax legally prescribed timeframe may be classified as "recalcitrant" and be subject to a reporting towards tax or governmental authorities and may suffer potential withholding tax.

If you have any doubt on the possible implications of FATCA on the Fund or yourself, you should seek independent professional advice. You are strongly recommended to seek independent advice from your own qualified U.S. tax advisor if you have queries related to FATCA or if you wish to know more about FATCA and its effect on you.

5. Investment Manager

The Management Company may delegate its investment management duties for part or all of the Sub-Funds to one or several investments managers (the "Investment Manager(s)"), under the overall responsibility of the Board of Directors, and subject to the prior approval of the CSSF.

HANSON ASSET MANAGEMENT Ltd, a Private limited Company incorporated under the laws of the United Kingdom, having its registered office at 2nd Floor, 6 Arlington Street, London SW1A 1RE, United Kingdom, registered company in England and Wales No: 07199183, and authorised and regulated by the Financial Conduct Authority, has been designated as Investment Manager of the Sub-Funds VG SICAV – Bond Plus Multi Strategy and VG SICAV – MBC Diversified Fund by means of an Investment Management Agreement dated 5th May 2021 entered into with the Management Company, the Investment Manager and the Fund.

The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Sub-Funds are invested in a manner consistent with the Fund's and the Sub-Fund's investment restrictions and that cash belonging to the Sub-Funds is invested in accordance with the guidelines laid down by the Board of Directors and the Management Company.

Subject to the prior approval of the Fund and the Management Company, the Investment Manager may appoint one or more sub-managers based on their particular knowledge, skills and experience which may be necessary or recommendable for the achievement of the investment objectives of the relevant Sub-Funds. Such a sub-manager will in principle provide its services under the responsibility and at the expense of the Investment Manager. The portfolio management mandate cannot be entrusted to the Depositary or one of its delegates.

6. Investment Advisor

The Management Company or the Investment Manager(s) may appoint Investment Advisor(s) to provide advisory services to one or several Sub-Fund(s).

The Investment Advisor(s) shall regularly assist the Management Company or the Investment Manager by giving advice and recommendations regarding the selection of securities and other permitted assets to be acquired by the Fund in line with the investment policy of the relevant Sub-Fund.

The Investment Advisor(s) shall act in a purely advisory capacity. The Management Company or the Investmet Manager shall not be bound by any advice or recommendations provided by such Investment Advisor(s) and shall assume sole responsibility for all decisions taken acting on such advice and recommendations in the management of the Fund's assets.

Each of the appointed Investment Advisor may seek advice, at its own expense, for the investment of the Fund's assets, from any person or corporation which it may consider appropriate.

The Management Company has appointed the following Investment Advisor (the "Investment Advisor") for the Sub-Funds VG SICAV – Bond Plus Multi Strategy and VG SICAV – MBC Diversified Fund:

- VG Asset Management S.A., pursuant to an Investment Advisory Agreement effective as of 5th May 2021, as may be amended from time to time.

VG Asset Management S.A., having its registered office in Via Clemente Maraini 1, CH – 6900 Lugano, is a Swiss corporation specialized in the application of asset management systems based on the technique of artificial intelligence. As such it offers its analysis and research services primarily to institutional and high net worth individuals.

7. Depositary

By virtue of a depositary agreement executed between the Fund, the Management Company and BANQUE DE LUXEMBOURG ("Depositary Agreement"), the latter has been appointed as depositary of the Fund ("Depositary") for:

(i) the safekeeping of the assets of the Fund,
(ii) the cash monitoring,
(iii) the oversight functions and
(iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 14, boulevard Royal, L-2449 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 5310. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, including, inter alia, custody, fund administration and related services.

7.1 Duties of the Depositary

The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody within the meaning of Article 22.5 (a) of UCITS Directive as amended ("Custodiable Assets"), they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its correspondents, sub-depositary banks, nominees, agents or delegates. The Depositary also ensures that the Fund's cash flows are properly monitored.

In addition, the Depositary shall:

(i) ensure that the sale, issue, repurchase, redemption and cancellation of the shares of the Fund are carried out in accordance with the 2010 Law, the Articles and the Prospectus;

(ii) ensure that the value of the shares of the Fund is calculated in accordance with the 2010 Law, the Articles and the Prospectus;

(iii) carry out the instructions of the Fund, unless they conflict with the 2010 Law, the Articles or the Prospectus;

(iv) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;

(v) ensure that the Fund's income is applied in accordance with the 2010 Law and the Articles.

7.2 Delegation of functions

Pursuant to the provisions of the 2010 Law and of the Depositary Agreement, the Depositary delegates the custody of the Fund's Custodiable Assets to one or more third-party custodians appointed by the Depositary.

The Depositary shall exercise care and diligence in choosing, appointing and monitoring the third-party delegates so as to ensure that each third-party delegate fulfils the requirements of the 2010 Law. The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

In the case of a loss of a Custodiable Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

According to the 2010 Law, where the law of a third country requires that certain financial instruments of the Fund be held in custody by a local entity and there is no local entity in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision, delegation of the custody of these financial instruments to such a local entity shall be subject (i) to instruction by the Fund to the Depositary to delegate the custody of such financial instrument to such a local entity, and (ii) to the Fund's investors being duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the relevant third country, of the circumstances justifying the delegation and of the risks involved in such a delegation. It shall rest with the Fund and/or Management Company to fulfil the foregoing condition (ii), whereas the Depositary may validly refuse accepting any of the concerned financial instrument in custody until it receives to its satisfaction both the instruction referred to under the forgoing condition (i), and the written confirmation from the Fund and/or the Management Company that the foregoing condition (ii) has been duly and timely fulfilled.

7.3 Conflicts of interests

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

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

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund. Such potential conflicts of interests may in particular be due to the following situations (the term "CM-CIC Group" designates the banking group to which the Depositary belongs).

- the Depositary has a significant shareholder stake in European Fund Administration in Luxembourg ("**EFA**") and some members of the staff of the CM-CIC Group are members of EFA's board of directors;
- the Depositary delegates the custody of financial instruments of the Fund to a number of sub-custodians;
- the Depositary may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions.

The following circumstances should mitigate the risk of occurrence and the impact of conflicts of interests that might result from the above mentioned situations.

The staff members of the CM-CIC Group in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

The selection and monitoring process of sub-custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that, except with regards to one specific class of financial instruments, none of the sub-custodians used by Banque de Luxembourg for the custody of the Fund's financial instruments is part of the CM-CIC Group. The exception exists for units held by the Fund in French investment funds where, because of operational considerations, the trade processing is handled by and the custody is delegated to Banque Fédérative du Crédit Mutuel in France ("BFCM") as specialized intermediary. BFCM is a member of the CM-CIC Group. BFCM, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

Additional banking services provided by the Depositary to the Fund are provided in compliance with relevant legal and regulatory provisions and rules of conduct (including best execution policies) and the performance of such additional banking services and the performance of the depositary tasks are functionally and hierarchically separated.

Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the Fund which shall take appropriate action.

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

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

Investors of the Fund may contact the Depositary at the Depositary's registered office to receive information regarding a possible update of the above listed principles.

7.4 Miscellaneous

The Depositary or the Fund may terminate the Depositary Agreement at any time upon not less than three (3) months' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any party to the Depositary Agreement). As from the termination date, the Depositary will no longer be acting as the Fund's depositary pursuant to the 2010 Law and will therefore no longer assume any of the duties and obligations nor be subject to the liability regime imposed by the 2010 Law with respect to any of the services it would be required to carry out after the termination date.

Up-to-date information regarding the list of third-party delegates will be made available to investors on http://www.banquedeluxembourg.com/en/bank/corporate/legal-information.

As Depositary, BANQUE DE LUXEMBOURG will carry out the obligations and duties as stipulated by the 2010 Law and the applicable regulatory provisions.

The Depositary has no decision-making discretion or any advice duty relating to the Fund's organization and investments. The Depositary is a service provider to the Fund and is not responsible for the preparation and content of this Prospectus and therefore accepts no responsibility for the accuracy and completeness of any information contained in this Prospectus or the validity of the structure and of the investments of the Fund.
Investors are invited to consult the Depositary Agreement to have a better understanding of the limited duties and liabilities of the Depositary.

8. Administrative Agent and Registrar and Transfer Agent

Pursuant to an agreement dated 10th February 2014, as may be amended from time to time, and with the approval of the Fund, the Management Company appointed EFA, having its registered office at 2, rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg as Administrative Agent and Registrar and Transfer Agent. EFA is responsible for all administrative duties required by Luxembourg laws, and among others for handling the processing of the subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation and determination of the net asset value of the Shares in each Sub-

Fund as well as for the mailing of statements, reports, notice and other documents to the concerned Shareholders of the Fund, in compliance with the provisions of, and as more fully described in, the relevant agreement above mentioned.

EFA is empowered to delegate, under its full responsibility and at its own cost, all or part of its duties as Administrative Agent to a third Luxembourg entity with the prior consent of the Management Company.

European Fund Administration S.A. is a *société anonyme* incorporated under the laws of Luxembourg and having its registered office at 2, rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg RCS under number B 56766. The Central Administrative Agent is a professional of the financial sector subject to the Luxembourg Law of 5th April 1993 on the financial sector, as amended.

INVESTMENT OBJECTIVES AND POLICIES

The Fund's objective, based upon the principle of risk spreading, is to manage its assets for the benefit of the shareholders and to achieve the best possible result through investment primarily in transferable securities. The degree of risk involved is to be kept within the limits considered acceptable by the Board of Directors and suited to the specific Sub-Fund.

Each Sub-Fund may further, on an ancillary basis, hold cash and cash equivalents (including typical money market instruments which are regularly negotiated and the residual maturity of which does not exceed 12 months and time deposits) up to 49% of its net assets; such percentage may exceptionally be exceeded if the Board of Directors considers this to be in the best interest of the shareholders.

The details of each Sub-Fund are described in the Section "Sub-Fund details" of this Prospectus.

The investments of each Sub-Fund shall comply with the rules and restrictions set forth in the Section "*Investment and Borrowing Restrictions*". Each Sub-Fund may use techniques and instruments in compliance with the rules and restrictions set forth in the Section Special Investment & Hedging Techniques and Instruments.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objectives will be achieved, and the NAV of Shares in any of the Sub-Funds may go down as well as up.

CROSS INVESTMENT

Pursuant to Article 181 (8) of the 2010 Law, any sub-fund of the Fund may, subject to the conditions provided for in the Articles, subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Fund ("Target Sub-Fund(s)") without the Fund being subject to the requirements of the 1915 Law, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and
- no more than 10% of the assets that the Target Sub-Funds whose acquisition is contemplated may be invested pursuant to the Instruments of Incorporation in shares of other Target Sub-Funds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the 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 2010 Law.

RISK MANAGEMENT PROCESS

The Management Company, on behalf of the Fund, will employ 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 each Sub-Fund. The Management Company, on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

As part of the RMP within the meaning of the applicable CSSF Circular 11/512 and the ESMA Guidelines 10-788, the Management Company will calculate the global exposure of each Sub-Fund on a daily basis despite of NAV frequency. This global exposure, depending on the risk profile of each sub-fund could be calculated using the Commitment Approach or the Value at Risk Approach (the "VaR Approach"), either relative or absolute.

The Commitment approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging.

The VaR approach quantifies the maximum potential loss that a UCITS could suffer within a certain time horizon and a given level of confidence under normal market conditions. The Management Company shall use a one month (20 days) Historical VaR with one year of history and a confidence level of 99%.

The risk profile will be evaluated by the Risk Management department of the Management Company, the result of this evaluation will be communicated to the Board of the Management Company that will confirm the approach chosen or propose a new one. More specifically, the selection of the approach will result from the investment policy and strategy of each Sub-Fund (including its use of financial derivative instruments). The approach chosen for each Sub-Fund could be found in Appendix III – Sub-Funds Specific Risk Details of the present prospectus. In case of a VaR approach, the expected level of leverage as well as the benchmark or the appropriate mix of assets (if managed with a relative VaR approach) will be indicated. The expected level of leverage will be calculated as the sum of notionals but could be completed by the commitment approach.

SHARES

Within the meaning of Article 181 of the 2010 Law, the Fund may issue within each Sub-Fund one or more Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but may differ, inter alia, in respect of specific sales and redemption charge structure, management charge structure, distribution policy, hedging policy or any other features as the Board of Directors shall from time to time determine in respect of each Sub-Fund.

The Board of Directors may decide to issue within each Sub-Fund, the Classes of shares as further described in Appendix I – Sub-Funds features to this Prospectus.

In accordance with the above, the Board of Directors may also decide to issue within the same Class of Shares, two Categories, being Distribution Shares and Accumulation Shares, as further described under Section "Distribution Policy" and in Appendix I – Sub-Funds features to this Prospectus.

Shares are in registered form. No registered Share certificates will be issued to shareholders.

Shares may also be held through accounts maintained with clearing houses.

The inscription of the shareholder's name in the Register of Shareholders evidences his right of ownership on such registered Shares. The shareholders' register is kept at the registered office of the Administrative, Registrar and Transfer Agent.

Fractions of registered Shares may be issued to one thousandth of a Share.

If fractional registered Shares are issued, such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Sub-Fund on a *pro rata* basis.

All Shares must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. Each Share of the Fund, regardless of the Class/Category or Sub-Fund to which it belongs, is entitled to one vote within the exercise of voting rights and all Shares participate equally in the resolutions to be taken in any general meeting of shareholders, in compliance with Luxembourg law and the Articles. Fractional Shares shall not be entitled to vote.

It is the intention of the Board of Directors to apply for a listing on the Luxembourg Stock Exchange of the Shares in all the Sub-Funds. The Board of Directors may decide to apply for listing on other Stock Exchanges.

Upon acceptance of the Fund, Shareholders may initiate many transactions by telephone or electronically. The Fund will not be responsible for any losses resulting from unauthorized transactions if it follows reasonable security procedures designed to verify the identity of the investor. The Fund will request

personalized security codes and other information, and may also record calls in order to provide the highest level of security available to the shareholder.

The rights attached to the shares are those provided for in the 1915 Law on commercial companies, as amended, unless superseded by the 2010 Law.

LISTING ON BORSA ITALIANA SPA – ATFund MARKET

ATFund is the new multilateral trading facility (MTF)of *Borsa Italiana S.p.A,* launched on 1st October 2018, following the simultaneous closing of the segment dedicated to the trading of open-end funds of *ETFplus* market, where it is possible to negotiate UCITS in the meaning of the UCITS Directive, which have received Consob (the *Commissione Nazionale per le Società e la Borsa* "Consob" is the public authority responsible for regulating the Italian financial markets) or Bank of Italy authorization and in the case of EU UCITS, have an authorization from the home supervisory authority and are duly registered for sale in Italy.
For the avoidance of any doubt, the Sub-Funds are not exchange traded fund (ETF) as further detailed under circular CSSF 14/592 on the *Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues*.

The main features of this segment of *ATFund* market are the same than the arrangements applied on the former segment of ETFPlus market, both in terms of market operation and rules for the participants, as follows:

- Orders must display the quantity only;
- Minimum Initial Investment is 1 share (no decimal available);
- Orders are executed at the NAV of the relevant Valuation Day, with the last available prices of such Valuation Day;
- The presence of an *appointed intermediary* is mandatory in order to execute the buy and sell order imbalance.

Intermonte SIM S.p.A, whose registered office is at Corso Vittorio Emanuele, 9 - Milan, and registered at no. 06817880013 on the Milan Company Register, is an authorised broker for the performance of negotiation services according to the Italian Decree Law no. 58 of 24 February 1998 on financial brokerage. *Intermonte SIM S.p.A* has been appointed by the Fund as *appointed intermediary* in order to comply with the requirements of *Borsa Italiana SIM S.p.A.*

For any further information, please visit *Borsa Italiana S.pA.* website *www.borsaitaliana.it,*

Share classes available through the *ATFund* are disclosed in the *Appendix I – Sub-Funds Features* of this Prospectus.

DISTRIBUTION POLICY

The Board of Directors may also decide to issue within the same Class of Shares or Sub-Fund, two Categories of Shares, being Distribution Shares and Accumulation Shares.

There may be tax implications in investing in one or the other of the categories of Shares.

Distribution Shares

The Distribution Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, distributed by way of dividend.

The general meeting of holders of Distribution Shares in the Sub-Funds shall decide upon the proposals made by the Board of Directors on this matter. Should the Board of Directors decide to propose the payment of a dividend to the general meeting, such dividend shall be calculated in accordance with the legal and statutory limits for this purpose.

In any event, no distribution may be made if, as a result, the net assets of the Fund would fall below EUR 1.250.000,-.

As far as Distribution Shares are concerned, the Board of Directors will propose the distribution of a dividend within the limits of their available assets. This dividend may include, besides the net investment income, the realized and unrealized capital gains after deduction of realized and unrealized capital losses. The Board of Directors may also decide the payment of an interim dividend of the previous or the current year in accordance with the legal provisions applicable.

Registered Shareholders are paid by bank transfer sent to the address indicated in the Shareholders' register according to their instructions.

Each Shareholder is offered the possibility to reinvest his dividend free of charge up to the available Share unit.

Dividends not claimed within five years after their payment shall no longer be payable to the beneficiaries and shall revert to the Fund.

All dividend payment notices are published in a newspaper as required by law or if deemed appropriate by the Board of Directors.

Accumulation Shares

The Capitalization Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, retained within the Sub-Fund thereby accumulating value in the price of the Accumulation Shares. The income will be reinvested.

Categories of Shares issued by the relevant Sub-Funds and available for subscription are detailed in Appendix I – Sub-Funds features to the Prospectus.

SUBSCRIPTION OF SHARES

1. Offering constraints

In certain jurisdictions, the circulation and distribution of the Prospectus and the sale of Shares is restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of, and to observe any such restrictions.

In accordance with the Articles, the Board of Directors may impose such restrictions as it may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by (a) any person in breach of the laws or regulatory requirements of any country or governmental authority or (b) any person in circumstances which, in the opinion of the Board of Directors, might result in the Fund or one of its Sub-Funds incurring any liability of taxation or suffering any other disadvantage which the Fund might not otherwise have incurred or suffered. The Fund may compulsorily redeem all Shares held by any such person.

The Fund has delegated to the Management Company the administration and marketing services in respect of all the sub-funds. Pursuant to such delegation, the Management Company or its delegates will monitor the prevention of anti-money laundering measures. Measures aimed at the prevention of money laundering may require an applicant for shares to certify its identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations. Thus, for the subscription to be valid and acceptable by the Fund, shareholders shall attach the following documents to the application forms, as well as any additional documents as requested from time to time by the Administrative Agent in compliance with the applicable laws and regulation in Luxembourg:

- if the investor is a *physical person*, a copy of one of his/her identification documents *(passport or ID card)*, or
- if the investor is a *legal entity*, a copy of its corporate documents *(such as the articles, published balances, excerpt of the Trade Register, ...)* and the copies of the identification documents of its economic eligible parties *(passport or ID card).*

These documents shall be certified true copies of the originals by a public authority *(ex. notary, police, embassy, etc)* of the country of residency.

This requirement is mandatory, except if:

- the application form is sent through another professional of the financial sector established in a FATF State and that this professional has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law, and
- a delegation contract of the identification obligations has been signed between such professional and

the Administrative, Registrar and Transfer Agent.

2. Initial and subsequent subscription period

Initial and subsequent subscription period terms and conditions with respect to each Sub-Fund are provided for in the Sub-Fund details.

3. Subscription procedure

Investors wishing to subscribe for Shares for the first time should complete an application form which contains the details and representations set forth in the application form attached to this Prospectus. The Board of Directors reserves the right to waive this obligation.

After the close of the initial subscription period, investors whose applications are accepted will be allotted Shares at a subscription price equal to the NAV per Share of the relevant Category in the relevant Sub-Fund on the relevant Valuation Day, increased by a subscription fee, if any, as provided in the Sub-Fund Particulars (the "Subscription Price"). Additional taxes or costs may be charged to the applicant to comply with the laws, regulations, Stock Exchange rules or banking practices in a country where a subscription is made.

The NAV per Share (on which the Subscription Price is based) as of the relevant Valuation Day will be calculated in the reference currency of the Sub-Fund by dividing the net assets of the Sub-Fund (being the value of the assets of the Sub-Fund - based on the price of the relevant Valuation Day - less the liabilities attributable to the Sub-Fund) by the number of Shares in the Sub-Fund then outstanding, as provided for in the Articles.

Applications for subscription may, at the subscriber's choice, pertain to a number of shares to be subscribed or to an amount to be invested in the Fund. Only in this latter case, fractional shares might be issued to one thousandth of a Share.

The Subscription Price per Share at which Shares are issued will be based on the Net Asset Value per Share as of a Valuation Day, provided that the application for subscription is received by the Registrar Agent prior to noon (Luxembourg time) on such Valuation Day; applications received after that time will be processed on the next Valuation Day.

Payment for the Shares must be received in the reference currency of the relevant Share Class and must be made by electronic transfer net of charges to the appointed correspondent bank not later than three Business Days following the relevant Valuation Day. Alternative methods of settlement must be approved by the Depositary beforehand.

Payment must be made net of wiring charges. However the Board of Directors reserves the right to accept subscriptions amount slightly reduced by wiring charges.

Failing this payment receipt on due time, applications will be considered as cancelled**,** or, in case of later receipt, considered for subscription on the Valuation Day of receipt. If payment is not received within ten

days, the application will be cancelled and monies received later will be returned at the investor's risk and charge.

Shares shall be allotted at the net asset value per share as of the Valuation Day. The transactions will be confirmed to the Shareholders on the day the NAV is available with reference to the applicable Valuation Day.

The Board may also accept subscriptions by means of contributing an existing portfolio, as provided for in 1915 Law, subject that the securities of this portfolio comply with the investment objectives and restrictions of the Fund and that these securities are quoted on an official stock exchange or traded on a regulated market, which is operating regularly, recognized and open to the public, or any other market offering comparable guarantees. Such a portfolio must be easy to evaluate. A valuation report, the cost of which is to be borne by the relevant investor, will be drawn up by the Auditors according to article 26-1 (2) of the above-referred law and will be deposited with the court and for inspection at the registered office of the Fund.

The Board of Directors reserves the right to reject any application in whole or in part or to suspend in exceptional circumstances at any time and without prior notice the calculation of the NAV per Share as well as the issue, the redemption or the conversion of Shares in one, several or all the Sub-Funds, as provided for in the Articles.

The Fund does not permit practices related to Late Trading and Market timing following the CSSF Circular 04/146 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices. Subscriptions, redemptions and conversion are dealt with at an unknown NAV and the Fund reserves the right to reject subscription or conversion orders from an investor or Shareholder who the Fund suspects of using such practices.

"Late Trading" is to be understood as the acceptance of a subscription or redemption orders after the cut-off time on the relevant Valuation Day and the execution of such orders at the price based on the net asset value per share applicable to such Valuation Day. To detect such practice, the Board of Directors takes the necessary measures to prevent that subscriptions or redemptions be accepted after the cut-off time in Luxembourg and that the net asset value per share is calculated after the cut-off time ("forward pricing").

The repeated purchase and sale of shares designed to take advantage of pricing inefficiencies in the Fund – also known as "Market Timing"- may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund's long term Shareholders. To deter such practice, the Board of Directors reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription, redemption or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

CONVERSION OF SHARES

Subject to any suspension of the determination of the NAVs concerned and to compliance with any eligibility conditions, Shareholders have the right to convert all or part of the Shares they hold in any Sub-Fund/Class of Shares into Shares of another existing Sub-Fund/Class of Shares by making a request in writing, by fax to the Administrative Agent indicating the number and the reference name of the shares to be converted and specifying moreover if the Shares of the new Sub-Fund/Class of shares are to be in registered form or through accounts maintained with clearing houses.

Conversion of Shares involving Class L is not allowed.

If as a result of any request for conversion the amount invested by any shareholder in a Sub-Fund would fall below the minimum holding requirement in that Sub-Fund, as detailed in Appendix I – Sub-Funds features, the Fund may decide to convert the entire shareholding of such shareholder in such Sub-Fund.

In converting Shares of such Sub-Fund for Shares of another Sub-Fund, a shareholder must meet the applicable minimum investment requirement imposed by the acquired Sub-Fund.

The rate at which Shares shall be converted, will be determined by reference to the respective NAV of the relevant Shares, dated on the relevant Valuation Day, in accordance with the following formula:

$$A = \frac{(B \times C) - F}{E}$$

Where:

A: is the number of Shares to be allotted;
B: is the number of Shares to be converted;
C: is the Net Asset Value of the Shares to be converted, calculated on the relevant Valuation Day;
E: is the Net Asset Value of the Shares to be allotted, calculated on the relevant Valuation Day;
F: is the conversion charge, if any. F is a maximum of EUR 15,-.

Shares tendered for conversion may be converted on any Valuation Day in the relevant Sub-Funds, provided that the application for conversion is received by the Registrar Agent prior to noon (Luxembourg time) on this Valuation Day; applications received after that time will be processed on the next Valuation Day.

All terms, notices and conditions regarding the redemption of Shares shall equally apply to the conversion of Shares.

Fractions of registered Shares will be issued on conversion to one-thousandth Share.

REDEMPTION OF SHARES

Any shareholder may present to the Administrative Agent his request for redemption by number of shares or by amount to be redeemed.

Shareholders whose requests for redemption are accepted will have their Shares redeemed at a redemption price determined as of the Valuation Day on which the redemption request is received (the "Redemption Price"), provided that such request is received by the Administrative, Registrar and Transfer Agent prior to noon (Luxembourg time) on such Valuation Day; applications received after that time will be processed on the next Valuation Day.

Redemption request should quote the shareholder's identification, the Sub-Fund and the number of Shares or amount to be redeemed. Upon acceptance of the Fund, redemption requests must be sent in writing, by fax or mail to the Administrative, Registrar and Transfer Agent.

Shares shall be redeemed at a Redemption Price equal to the NAV per Share of the relevant category in the relevant Sub-Fund on the relevant Valuation Day decreased by a redemption fee, if any, expressed as a fixed amount or a percentage of the NAV per share, as provided for in Appendix II – Sub-Funds fees. Additional taxes or costs may be charged to the applicant to comply with the laws, regulations, Stock Exchange rules or banking practices in a country where a redemption is made.

The NAV per Share (on which the Redemption Price is based) as of the relevant Valuation Day will be calculated in the Reference Currency of the Sub-Fund by dividing the net assets of the Sub-Fund (being the value of the assets of the Sub-Fund - based on the price of the relevant Valuation Day - less the liabilities attributable to the Sub-Fund) by the number of Shares in the Sub-Fund then outstanding, as provided for in the Articles.

Redemption proceeds will be transferred in the Denomination Currency of the relevant Share Class to the bank account, as specified by the shareholder on its subscription application, as promptly as practical, but not later than three Business Days from the relevant Valuation Day or the date on which all the redemption documents have been received by the Administrative, Registrar and Transfer Agent whichever is the later date. If shareholder requests redemption proceeds to be paid to an alternative account, the Administrative, Registrar and Transfer Agent will require prior confirmation in writing by the shareholder. Any transfer costs are at the expense of the shareholder.

Shares of any Sub-Fund will not be redeemed if the calculation of the NAV per Share in such Sub-Fund is suspended by the Fund in accordance with section headed "*Determination of the NAV*" paragraph 2. "*Temporary Suspension of the Calculation"*. In the case of suspension of dealings in Shares the applicant may give notice that he wishes to withdraw his application. If no such notice is received by the Administrative, Registrar and Transfer Agent, the application will be dealt with on the first Valuation Day following the end of such suspension period.

Where redemption requests received for one Sub-Fund on any Valuation Day exceed 10% of the net assets thereof, the Board of Directors may decide to:

(i) Either totally or partially defer such redemption request until the next Valuation Day. On the next Valuation Day, or Valuation Days until completion of the redemption requests received in excess of the 10% of the net assets, deferred redemption requests will be dealt in priority to any redemption requests received later on, as the case may be;
(ii) Or delay the date of the payment of such redemption request until the closest next Business Day on which liquidity has been made available.

The Board of Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares as of any Valuation Day at which redemptions are deferred.

When exceptional circumstances might negatively affect shareholders' interests, or when redemptions and conversions would exceed 10% of a Sub-Fund's net assets the Board of Directors reserves the right to sell the necessary securities before the calculation of the Net Asset Valuation per share. In this case, all subscription, conversion and redemption applications without any exception will be processed at the Net Asset Value per share thus calculated.

If as a result of any request for redemption the amount invested by any shareholder in a Sub-Fund would fall below the minimum holding requirement in the Fund or in a Sub-Fund, the Board of Directors may decide to redeem the entire shareholding of such shareholder in the Fund or in such Sub-Fund.

In the event that for any reason the NAV of any Sub-Fund would fall below EUR 3.000.000, and every time the interest of the shareholders of the same Sub-Fund will demand so, the Board of Directors, especially in case of a change in the economic and/or political situation, will be entitled, upon a duly motivated resolution, to decide the liquidation of the same Sub-Fund.

The shareholders will be notified by the Board of Directors or informed of its decision to liquidate in a similar manner to the convocation to the general meetings of shareholders. The net liquidation proceeds will be paid to the relevant shareholders in proportion of the Shares they are holding. Liquidation proceeds which will remain unpaid after the closing of the liquidation procedure shall be deposited with the Caisse de Consignation at the time of the close of the liquidation for the benefit of the person(s) entitled thereto until the expiry of the period of limitation. The close of liquidation of one or more Sub-Funds or Classes of Shares shall also take place within nine months from the Board of Directors' decision to liquidate the Sub-Funds or Classes of Shares.
In case it would not be possible to meet such deadlines, an authorisation shall be requested from the CSSF in order to extend it.

Any resolution of the Board, whether to liquidate a Sub-Fund, whether to call a general meeting to decide upon the liquidation of a Sub-Fund, will entail automatic suspension of the NAV computation of the Shares of the relevant Sub-Fund, as well as suspension of all subscription or conversion orders, and if necessary redemption requests, whether pending or not.

CHARGES AND EXPENSES

The Fund pays out of the assets of the relevant Sub-Funds all expenses payable by the Fund which shall comprise formation expenses, Global Management and Distribution Fee, Depositary, Paying agent(s) and its correspondents, Administrative, Registrar and Transfer Agent, Domiciliary Agent, , and permanent representatives in places of registration, any other agent employed by the Fund/the Management Company on behalf of the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any Governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, the remuneration of the Board of Directors (if any) including their insurance cover and reasonable travelling costs and out of pocket expense in connection with board meetings, fees for legal and auditing services, printing, reporting and publishing expenses, including the cost of preparing, printing and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, marketing expenses, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone, telex and telefax. In addition, the Fund shall bear all expenses connected to the authorisation of the Fund, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred by the implementation and compliance with regulatory requirements).

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.

The costs and expenses incurred in connection with the formation and setting-up of the Fund and its original Sub-Fund, amounting to about USD 50.000-, and the initial issue of its Shares are written off over a period not exceeding five years and in such amounts in each year as determined by the Board of Directors on an equitable basis. The costs and expenses incurred in connection with the launching of new Sub-Funds and the issue of their Shares shall be written off by such new Sub-Funds over a period not exceeding five years and in such amounts in each year and in each Sub-Fund as determined by the Board of Directors on an equitable basis.

The Management Company shall receive a **Global Management and Distribution Fee** for each Sub-Fund as disclosed in Appendix II – Sub-Funds fees to this Prospectus. The Global Management and Distribution Fee per annum is calculated on the net assets of the Sub-Fund for the provision of the services of the Management Company, the Investment Manager(s), the Investment Advisor(s), if any, and all the Fund's distributors and financial intermediaries duly appointed by the Management Company which ensure the Fund's distribution and marketing As a general rule, the Investment Advisor's remuneration will be at a lower level than the Investment Manager's remuneration.

The Investment Manager(s), and the Investment Advisor(s), shall also receive a **Performance Fee**, as the case may be, within the limits and as further described in the Section Sub-Funds Details and in Appendix II to this Prospectus.

The Management Company may also ensure middle-office services for the Fund, for such services the Management Company will receive from the Fund up to EUR 30 per trade.

The Management Company may also receive from the Fund fees for marketing expenses and web-site development, legal and distribution support or other services requested by the Fund, as further disclosed in the Management Company Services Agreement.

The Administrative, Registrar and Transfer Agent will also receive from the relevant Sub-Funds an **Administration Fee**, as further disclosed in the Appendix II to this Prospectus. The Administration Fee excludes share classes fees, performance fee calculation, any transaction fees, exceptional and non-recurrent fees, any additional administrative extra work, as well as any reasonable out-of-pocket expenses incurred in connection with the Fund and fees for other services as agreed from time to time and chargeable to the Fund.

The Depositary will receive from the relevant Sub-Funds a **Depositary Fee** as further disclosed in the Appendix II to this Prospectus.

Such fees do not include brokerage fees, settlement fees and sub-custody fees, commissions charged by banks, brokers and prime brokers, Fund taxes, stamp duties and other customary fees arising from transactions relating to securities and investment instruments in the Fund portfolio. The amounts effectively paid will be disclosed in the Fund's financial reports.

As Domiciliary Agent, Link Fund Solutions (Luxembourg) S.A. will receive from the Fund a **domiciliation fee** of EUR 4'000 per annum for the entire Fund and 1'000 per annum per Sub-Fund.

All recurring expenses will be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets.

Fees and expenses set forth under section headed "*Charges and Expenses*" shall be deemed to exclude VAT. Where applicable, VAT may additionally be charged.

In the case where any asset, liability, fees and expenses of the Fund cannot be considered as being attributable to a particular Share Class, such asset or liability shall be allocated to all the Share Classes *pro rata* to the Net Asset Value per Share of the relevant Share Classes or in such other manner as determined by the Board of Directors acting in good faith. Each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

TAXATION

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

A. Taxation of the Fund in Luxembourg

The Fund is not liable to any Luxembourg tax on profits or income, nor to distributions paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable to annual tax in Luxembourg calculated at the rate of 0.05% per annum of the net asset value of its Sub-Funds. This tax is payable quarterly on the basis of the value of the aggregate Net Assets of the Sub-Funds at the end of the relevant calendar quarter. The rate of this tax may be reduced to 0,01% of the value of the net assets for Sub-Funds, Classes of Shares reserved to Institutional Investors.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realized capital appreciation of the assets of the Fund.

General

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding tax in the countries of origin.

B. Taxation of Shareholders

As of the date of the registration of the Fund, Shareholders are not subject to any such tax in Luxembourg on capital gains, income, donations or inheritance, nor to withholding taxes, subject to the EU Tax Considerations below or with the exception of shareholders having their domicile, residence or permanent establishment in Luxembourg, and certain Luxembourg ex-residents, owning more than 10% of the Fund's capital.

The provisions above are based on the law and practices currently in force and may be amended.

C. European Union Tax Considerations

The law passed by parliament on 21 June 2005 (the "2005 Law") has implemented into Luxembourg law, Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (referred to as "Savings Directive"). Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or

associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Dividends, if any, distributed by a Sub-Fund of the Fund will be subject to the Savings Directive and the 2005 Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the disposal of shares will be subject to the Savings Directive and the 2005 Law if more than 25% of the relevant Sub-Fund's assets are invested in debt claims.

On 25th November 2014, Luxembourg enacted a law relating to the automatic exchange of information on interest payments from savings income (the "Exchange of Information Law") modifying the 2005 Law. The Exchange of Information Law abolished the transitional period during which the Luxembourg was entitled to levy a withholding tax on interest payments.

As from 1st January 2015, Luxembourg applied the automatic exchange of information on interest payment made by a Luxembourg paying agent to individuals resident in other Member States.

The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice. Potential subscribers should inform themselves and, if necessary, take advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and sale of their shares in the country of respectively their citizenship, residence or domicile.

D. FATCA

i) General Rules and Legal background

FATCA is part of the U.S. Hiring Incentives to Restore Employment Act. It is designed to prevent U.S. tax payers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so-called Foreign Financial Institutions ("**FFIs**"), which notably include certain investment vehicles ("Investment Entities"), among which UCITS.

According to the FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to report to the IRS certain holdings by/ and payments made to a/ certain U.S. investors b/ certain U.S. controlled foreign entity investor, c/ non U.S. financial institution investors that do not comply with their obligations under FATCA and d/clients that are not able to document clearly their FATCA status.

On 28 March 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions (the "Luxembourg IGA" or the "IGA").

According to the terms of the IGA, Reporting Luxembourg FFIs will have to report to the Luxembourg tax authorities instead of directly to the IRS. Information will be communicated onward by the Luxembourg

authorities to the IRS under the general information exchange provisions of the U.S. Luxembourg income tax treaty.

Luxembourg law of 24 July 2015 transposing the Luxembourg-US IGA was promulgated, and published on 29 July 2015.

ii) Other parties

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the U.S. Investors holding investments via distributors or custodians that are not in Luxembourg or in another IGA country should check with such distributors or custodians as to the distributor's or custodian's intention to comply with FATCA. Additional information may be required by the Company, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

The foregoing is only a summary of the implications of FATCA, is based on the current interpretation thereof and does not purport to be complete in all respects.

Shareholders and prospective investors should contact their own tax adviser regarding the application of FATCA to their particular circumstances.

iii) FATCA Status

The Fund has elected for the FATCA status of "Sponsored Investment Entity" under the Luxembourg IGA and has appointed the Management Company as its "Sponsoring Entity". The Fund will hence qualify as "Non-Reporting/Deemed-compliant FFI" under the terms of the IGA and will not need to register with the IRS/obtain a GIIN number unless "US reportable accounts" are identified.

As registered "Sponsoring Entity" towards the IRS, the Management Company will acts as "Sponsoring entity" for the Fund and will perform on its behalf all due diligence, withholding, reporting and other requirements that the Fund would have been required to perform in order to comply with the Luxembourg IGA as implemented into Luxembourg national law and regulation.

As part of its reporting obligations, the Fund/the Management Company (or its delegates including in particular, the Administrative, Registrar and Transfer Agent) may be required to disclose certain confidential information (including, but not limited to, the investor's name, address, tax identification number, if any, and certain information relating to the investor's investment in the Company self-certification, GIIN number or other documentation) that they have received from (or concerning) their investors and automatically exchange information with Luxembourg taxing authorities or other authorized authorities as necessary to comply with FATCA, related IGA or other applicable law or regulation.

The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA, as transposed in Luxembourg law, places upon it.

E. Common reporting Standard considerations

The Organisation for Economic Cooperation and Development (the **OECD**) developed a common reporting standard (**CRS**) to achieve a comprehensive and multilateral automatic exchange of information (**AEOI**) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax

information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Shareholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.
On this basis, a Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the **Euro-CRS Directive**) has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the EU Member States for the data relating to calendar year 2016.

In addition, Luxembourg tax authorities signed the OECD's multilateral competent authority agreement (**Multilateral Agreement**) to automatically exchange information under the CRS. In that respect, the Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters (the 2015 Tax Law) has been published in the Official Journal on 24 December 2015. The 2015 Tax Law transposes Euro-CRS Directive and entered into force on 1 January 2016.

Under the 2015 Tax Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Fund may be required to run additional due diligence process on its Shareholders and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable.
Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

The Fund qualifies as a reporting financial institution subject to CRS.

As part of its reporting obligations, the Fund and/or the Management Company (or its delegates, including in particular, the Administrative, Registrar and Transfer Agent) may be required to disclose certain confidential information (including, but not limited to, the Shareholder's name, address, tax identification number, if any, and certain information relating to the Shareholder's investment in the Fund self-certification or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with CRS or other applicable law or regulation.

MEETINGS OF AND REPORTS TO SHAREHOLDERS

The annual general meeting of Shareholders is held each year at the Fund's registered office or at any other place in Luxembourg specified in the convening notice.

The annual general meeting of Shareholders shall be held within four months following the financial year end, in accordance with any applicable Luxembourg Law.

Convening notices for all, ordinary and extraordinary, general meetings shall be addressed by registered letters to the shareholders to their address indicated in the shareholders' register, at least eight days before the meeting.

These notices shall indicate the time and place of the general meeting, the conditions for admission, the agenda and the prescriptions of the Luxembourg law regarding quorum and majority.

Such notices may be published in the *Recueil Electronique des Sociétés et Associations* and in any newspaper(s) as deemed necessary by the Board or required by any applicable laws and regulations of the countries where the Shares of the Fund are registered for sale.

The Shareholders of the Class or Classes issued in respect of any Sub-fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-fund.
In addition, the Shareholders of any Class may hold, at any time, general meetings to decide on any matters which relate exclusively to such Class.

Each share confers the right to one vote. Any change in the Articles affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

Every year, the Fund publishes a detailed audited report on its activities and the management of its assets, including the balance sheet and consolidated profit and loss accounts and the report of the independent auditor, as well as with a semi-annual report.

Furthermore, at the end of each half-year, it shall establish a report including *inter alia*, the composition of the portfolio, the number of shares outstanding and the number of shares issued and redeemed since the last publication.

The reports shall be made available at the registered offices of the Fund during ordinary office hours and if required they may be sent to registered shareholders. The Fund's accounting year ends on 31 December of each year.

The Accounting Currency of the Fund is the Euro ("EUR"). The aforesaid reports will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

INFORMING SHAREHOLDERS

1. Publication of NAV

The NAV in each sub-fund is to be published each time shares are subscribed or redeemed in those countries where the Fund is marketed and to the extent required by local law and regulations. The published NAV figures of shares are also available from the registered office of the Fund.

2. Financial notices

Information notices may also be published in the countries where the Fund is registered for distribution to the extent required by local law and regulations, and concerning the Grand-Duchy of Luxembourg, they shall be sent to all of the Shareholders by regular mail and published in a Luxemburg newspaper as deemed necessary by the Board or to the extent required by Luxembourg law and regulations.

In addition, information on changes to the Fund shall be published on the Management Company website : www.linkfundsolutions.lu and may be published in a Luxemburg newspaper, and in any other newspapers deemed appropriate by the Board of Directors, in countries in which the Fund markets its shares.

INVESTMENT AND BORROWING RESTRICTIONS

The Articles provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the UCITS Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the Section Sub-Funds details of this Prospectus, to the investments of each of the Sub-Funds:

I. (1) The Fund, for each Sub-Fund, may invest in:

a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC or dealt in on another market which operates regularly and is recognised and open to the public in a Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, North and South America and Oceania (an "Eligible Market");

b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;

c) units of UCITS and/or other undertakings for collective investment ("other UCIs") within the meaning of Article 1, paragraph (2), points a) and b) of UCITS Directive, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of UCITS Directive,
- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, in aggregate be invested in units of other UCITS or other UCIs;

d) deposits with a credit institution 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 European Union law;

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

- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

f) money market instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Eligible Markets, or
- issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF State, or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or

is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

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

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund, where this would lead to investment of more than 20% of the Sub-Fund's assets in a single body, any of the following:

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

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another state in Eastern and Western Europe, Asia, North and South America and Oceania or by public international bodies of which one or more Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in

a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.
If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by a single issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).
The limits set out in sub-paragraphs a), b), c) and d) may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.
Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).
The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that the sub-fund's Shareholders benefit from sufficient protection and that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

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

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("Regulated Markets") where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

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

b) The Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same UCITS or other UCI within the meaning of Article 2, paragraph (2) of the 2010 Law;
- 10% of the money market instruments of the same issuer.

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

c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

The provisions of this paragraph V. are also waived as regards:

- shares held by the Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country complies with the limits laid down in paragraph III. a) to e), V. a) and b) and VI.
- shares held by one or more investment companies in the capital of subsidiary companies, which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

VI. a) The Fund may invest up to 100% of any of its sub-fund's net assets in units of UCITS and/or other UCIs ("Target Funds") referred to in paragraph I) (1) c), provided that no more than 20% of the sub-fund's net assets are invested in the units of a single target Fund and subject to the limits set by the 2010 Law. For the purpose of the application of this investment limit, each compartment of a Target Fund with multiple compartments within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer

provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

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

c) Where a Fund/Sub-Fund invests in the units of other Target Funds 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 a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund/Sub-Fund investment in the units of such other UCITS and/or other UCIs.
In respect of a Sub-Fund's investments in Target Funds linked to the Fund as described in the preceding paragraph, the management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the Target Funds concerned shall not exceed a level as disclosed in each Sub-Funds specificities details in the Section Sub-Funds Details.
The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the Target Funds in which such Sub-Fund has invested during the relevant period.

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

e) The Fund may not, in aggregate, invest more than 30% of any of its sub-fund’s net assets in units of UCIs other than UCITS.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net value of the relevant Sub-Fund.
The 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. This shall also apply to the following subparagraphs.
If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. a) to e) above.
When the Fund invests in index-based financial derivative instruments, these investments are not required to be combined to the limits laid down in paragraph III. a) to e).
When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

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

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

This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that such investment does not represent more than 10% of its assets.

e) Where the Fund is authorised to borrow under points a) and d), that borrowing shall not exceed15% of its assets in total.

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

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

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

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

TECHNIQUES AND INSTRUMENTS

The Fund is authorised for each Sub-Fund, in consideration of the risks factors set out in the Section "Risk Factors", to use techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any use of such techniques and instruments be carried out for the purpose of hedging and / or efficient management of the portfolio, altogether within the meaning of the Grand-ducal Regulation of 8 February 2008. If a Sub-Fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant Sub-Fund.

I. Financial derivative instruments

Each Sub-Fund may use financial derivative instruments ("**FDI**") such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this Section and the investment objective and policy of the Sub-Fund, as set out in the Section "Sub-Funds Details". The use of FDI may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Each Sub-Fund is therefore in particular authorised to carry out transactions involving FDI and other financial techniques and instruments. FDI may include, without limitation, the following categories of instruments:

a) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of a certain underlying at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.

b) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.

c) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.

d) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.

e) Equity swap: an equity swap is an agreement which consist of paying out (or receiving) to (from) the swap counterparty:

i) a positive or negative price return of one security, a basket of securities, a stock; exchange index, a benchmark or a financial index;
ii) an interest rate, either floating or fixed;
iii) a foreign exchange rate; or
iv) a combination of any of the above.

Against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Fund will not hold any security. The underlying asset category of the swap transactions entered into by the Fund will be indicated in the description of the investment policy of each Sub-Fund in the Section Sub-Funds Details to this prospectus.

The Fund may not enter into equity swap transactions unless:

i) its counterpart is a recognized financial institution subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction;
ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

The total commitment arising from equity swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of equity swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

f) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.

g) Credit default swaps: a credit default swap or "CDS" is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

The Fund may use CDS, where one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The *International Swaps and Derivatives Association, Inc.* ("ISDA") have produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use CDS in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under CDS without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with CDS purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in its exclusive interest, the Fund may also sell protection under CDS in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such CDS sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.
The Fund will only enter into CDS with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Fund will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.
The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

The aggregate commitments of all credit default swap transactions will not exceed 20% of the net assets of any sub-fund provided that all swaps will be fully funded.

h) Total return swaps: a total return swap or "**TRS**" is an agreement, as further below described, in which one party (total return payer) transfers the total economic performance of a reference

obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. Then TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRSs is possible, it is currently not contemplated.

The Fund or any of its delegates will report the details of any TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. TRSs may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The maximum and expected proportion of assets that may be subject to TRS will be set out for each Sub-Fund in the Section Sub-Funds Details. If a Sub-Fund intends to make use of TRS, the Section Sub-Funds Details will include the disclosure requirements of the SFTR.

i) Contracts for differences: a contract for differences or "CFD" is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

A. OTC Financial Derivative Instruments

Each Sub-Fund may invest into FDI that are traded *over-the-counter* ("**OTC**") including, without limitation, TRS or other FDI with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section of the Prospectus.

The counterparties to OTC FDI will be selected among recognized financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the annual report of the Fund.

The Management Company may use a process for accurate and independent assessment of the value of OTC FDI in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC FDI, the Sub-Fund may receive cash or other assets as collateral, as further specified in the paragraph II. C. below entitled "*Collateral management and policy for EPM Techniques*".

B. Financial indices and benchmark

Each Sub-Fund may use FDI to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in this section of the Prospectus and instruments with one or more characteristics of those

assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies with all the criteria set forth in article 9 of the Grand-Ducal Regulation of 8 February 2008 and, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time, on the following basis:

– the composition of the index is sufficiently diversified,
– the index represents an adequate benchmark for the market to which it refers,
– it is published in an appropriate manner.

Following the BMR, a "**Benchmark**" means any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of a Sub-Fund / Share Class with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.
The use of a Benchmark should comply with the BMR, and should be disclosed in the Section "**Sub-Funds Details**".

The BMR requires further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

In accordance with the BMR, the Management Company will maintain an index contingency plan setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Also, the BMR requires the prospectus to provide clear and prominent information stating whether the Benchmark that may be used is provided by an administrator included in the register of administrators and Benchmarks, as defined in the article 36 of the BMR (the "**Benchmark Register**") or by administrators who benefits from the transitional period as authorized by the BMR and therefore may not appear in the Benchmark register for the time being (the "**Administrator(s)**"). EU Benchmark Administrators have until 1 January 2020 to submit a request to be entered on the Benchmark Register.

Benchmarks may also be used by some funds for comparison purposes or as point of reference against which the performance of a fund may be measured but the funds may freely select the securities in which they invest. Given that the funds are actively managed and investment decisions are made at the discretion of the Investment Manager, the actual holdings and fund performance may differ materially from that of the benchmark(s).

In case the publication of the Benchmark has been stopped or where major changes in that Benchmark have occurred or if for some reason the Board of Directors feels that another benchmark is more appropriate, another Benchmark may be chosen. Any such change of benchmark will be reflected in an updated Prospectus.

The Benchmark Policy of the Management Company complying with Art. 28(2) of the BMR for actions to be taken in the event of material changes to, or cessation of, a benchmark, is available for the Shareholders of the Fund at the registered office of the Management Company.

II. Efficient portfolio management techniques

Provided that authorized by its investment policy and strategy as further detailed under section headed "Sub-Funds details" of this Prospectus, a specific Sub-Fund may employ techniques and instruments (within the meaning of, and under the conditions set out in applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and SFTR, provided that such techniques and instruments are used for the purposes of efficient portfolio management ("**EPM**"). The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

The efficient portfolio management techniques ("**EPM Techniques**") include, without limitation, securities lending, repurchase agreements and reverse repurchase agreements as described below, which are also qualified as SFTs.

Unless otherwise disclosed in the "Sub-Funds Details", the Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments for any specific Sub-Fund, the Board of Directors of the Fund will update the "Sub-Funds Details" accordingly and will include related requirements of SFTR under the section "Sub-Funds details" in respect of each relevant Sub-Fund, where applicable.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending, repurchase or reverse repurchase transaction, the Sub-Fund will receive cash or other assets as collateral, as further specified in paragraph C below "*Collateral management and policy for EPM Techniques*".

When investing in SFT and FDI relating to transferable securities and money market instruments, each Sub-Fund shall comply with applicable restrictions and in particular with CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, CSSF circulars 11/512 and 14/592, ESMA Guidelines 2014/937 and the Section "Investment and Borrowing Restrictions".

The Fund's annual report should furthermore contain details of the following:

- the exposure obtained through EPM Techniques;
- the identity of the counterparty(ies) to these EPM Techniques;
- the type and amount of collateral received by the Fund to reduce counterparty exposure; and
- the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- the use of SFTs pursuant to the SFTR (if applicable): global data, concentration data, aggregate transaction data for each type of SFTs and TRS separately to be broken down as specified by the regulation (EU) 2015/2365, safekeeping of collateral received by the collective investment undertaking as part of SFTs and TRS, safekeeping of collateral granted by the collective investment

undertaking as part of SFTs and TRS, data on return and cost for each type of SFTs and TRS, and data on reuse of collateral.

Reuse means the use by a receiving counterparty, in its own name and on its own account or on the account of another counterparty, including any natural person, of financial instruments received under a collateral arrangement, such use comprising transfer of title or exercise of a right of use in accordance with Article 5 of Directive 2002/47/EC on financial collateral arrangements but not including the liquidation of a financial instrument in the event of default of the providing counterparty.

The Fund's semi-annual report should also contain details of the use of SFTs pursuant to the SFTR (if applicable) as specified for the annual report.

The use of FDI will cause a risk due to leverage. Considering the maximum of 10% of its net assets that a sub-fund may borrow, as indicated under Section "Investment and Borrowing Restrictions" VIII. a) above, the overall exposure of any Sub-Fund must not exceed 210% of the Sub-Fund's net assets.

The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using FDI and other EPM Techniques and instruments for other purposes than hedging. If the Investment Managers forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-Fund may be worse off than if no such strategy had been used.

All the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), net of direct and indirect operational costs and fees, will be returned to the Fund.

Each Sub-Fund may incur costs and fees in connection with EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs). In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques and transactions. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be available in the annual report. The annual report of the Fund will contain also all details on the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), for the entire reporting period.
These operational costs may reach a maximum of 50 % of revenues arising from efficient portfolio management techniques and do not include hidden revenues.

The counterparties to the SFTs will be selected through a credit assessment tailored to the intended activity, which may include *inter alia*, a review of the management, liquidity, credit history, profitability, and corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality.
Approved counterparties will typically have a public rating of A- or above. While there won't be predetermined legal status applied in the selection of the counterparties, this element will typically be taken into account in the selection process.

In any case, the Fund, and relevant Sub-Fund will only enter into SFTs with such counterparties that are considered as creditworthy and subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and that are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, unless otherwise disclosed in the Section "Sub-Funds Details" to this prospectus for a specific Sub-Fund.

Pursuant to the fund management agreement between the Fund and the Management Company, or, where applicable, according to the investment management agreement between the Fund, the Management Company and, the Investment Manager, the Management Company (when applicable, the Investment Manager) undertakes to disclose all and any conflicts of interest that may arise regarding the provision of its services in writing to the Fund according to its conflict of interest policy. This policy identifies, in relation to the collective portfolio management, the situations which cause, or could cause, a conflict of interest that represents a significant risk affecting the interests of the Fund or its Sub-Funds, including but not limited to, contracting or entering into any financial, banking, commercial, advisory or other transactions (including without limitation financial derivative transactions and SFTs).

The risks linked to the use of SFTs as well as risks linked to collateral management, such as operational, liquidity, counterparty and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in the Section Risk Factors.

Assets subject to SFTs will be safe-kept by the Depositary of the Fund.

The maximum and expected proportion (i) of assets that may be subject to SFTs and (ii) for each type of assets that are subject to SFTs will be set out for each Sub-Fund in the Section Sub-Funds Details. If a Sub-Fund intends to make use of SFTs, the Section Sub-Funds Details will include the disclosure requirements of the SFTR.

The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds. SFTs include in particular the following transactions:

(i) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;

(ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them,

such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement within the meaning of item (iii) below;

(iii) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

(iv) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

A. Securities lending and securities borrowing transactions

The Fund may enter into securities lending and borrowing transactions in accordance with the following provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, of CSSF circular 11/512, CSSF circular 14/592 and ESMA Guidelines 2014/937:

(i) The Fund may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.

(ii) In relation to its lending transactions, the Fund shall receive a guarantee of a value which, at the conclusion and during the lifetime of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

(iii) Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Fund until the lending contract expires. More specifically, the guarantee could take the form of:

- Liquidity and Cash deposits (defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC) or financial instruments equivalent to cash
- Bond issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope as well as bonds issued by non-governmental issuers offering an adequate liquidity with a minimum rating of BBB+ by Standard & Poors or Baa1 by Moody's (Investment Grade), or its equivalent, at the time of purchase.

- Shares and convertible bonds which are comprised in a main index
- Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, at the time of purchase.

(iv) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-Fund concerned. This limit does not apply when the Fund has the right to terminate the contract at any time and obtain restitution of the securities lent.

(v) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-Fund concerned.

(vi) The Fund may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the Fund is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Depositary fails to perform its obligation to deliver the securities in question.

(vii) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions (as described below under point "Repurchase Transactions") shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

(viii) When entering into a securities lending agreement, the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.

B. Repurchase Transactions

The Fund may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of CSSF Circulars 08/356, 11/512 and 14/592, ESMA Guidelines 2014/937 and the Section Investment and Borrowing Restrictions on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Fund may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

(i) The Fund may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must

further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.

(ii) Throughout the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.

(iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.

(iv) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions (as described above under point A. "Securities lending and securities borrowing transactions") shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

When entering into a reverse repurchase agreement, the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund. When entering into a repurchase agreement, the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

C. Collateral management and policy for EPM Techniques

The Fund shall comply with the requirements provided by the provisions laid down in the CSSF Circular 14/592 and set out below when entering into management of collateral for OTC FDI and EPM Techniques ((and which modify the Box 26 of the existing guidelines on Risk Measurement and Calculation of Global Exposure and Counterparty Risk for UCITS (Ref. CESR/10-788)): as well as the provisions laid down in SFTR.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of the UCITS Directive.

All assets received by the Sub-Fund in the context of EPM Techniques should be considered as collateral and should comply with the criteria laid down in paragraph below.

Where a Sub-Fund enters into OTC FDI and EPM Techniques, the Sub-Fund will only accept the following assets as collateral:

(i) Liquid assets including cash, short term bank certificates and money market instruments as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty is considered as equivalent to liquid assets.

(ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
(iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
(iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
(v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
(vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the purpose of the above paragraph, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Furthermore, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive.

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. As the Fund will accept only highly liquid securities as collateral, Mark-to-Market methodology will be used for the valuation of transferable securities and/or money market instruments listed on a regulated market/multilateral trading facility with transparent pricing, which is based on the last known quotation on the Valuation Day. Shares or units in underlying open-ended investment funds are valued at their last available Net Asset Value reduced by any applicable charges.

c) Issuer credit quality – collateral received should be of high quality (as above described).

d) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such

a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

g) Where there is a title transfer, the collateral received should be held by the depositary of the Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The collateral eligibility requirements set out above stem from the ESMA Guidelines 2014/937 and CSSF circular 14/592.

Cash collateral received should only be:
- placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

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

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral management risks are further described in the Section Risks Factors of the Prospectus.

D. Haircut Policy

For each of these financial instruments, the following discount rates will be applied (the Management Company reserves the right to vary this policy at any time):

- Cash in a currency other than the currency of exposure: **10%**
- Shares and shares of a UCI : **20%**
- Debt instruments at least investment grade : **15%**
- Non-investment grade debt securities and corporate bonds: **40%**.

The Risk Management makes sure that the collateral used to mitigate counterparty risk is not sold, reinvested or pledged.

A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- Design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- Reporting frequency and limit/loss tolerance threshold; and
- Mitigation actions to reduce loss including haircut policy and gap risk protection.

A Sub-Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Sub-Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

The prospectus should also clearly inform investors of the collateral policy of the Fund. This should include permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, re-investment policy (including the risks arising from the re-investment policy).

DETERMINATION OF THE NAV

1. Calculation and Publication

The NAV per Share shall be determined under the responsibility of the Board of Directors, in the reference currency of the relevant Sub-Fund.

For the purpose of determining the issue, redemption and conversion price per share, the Net Asset Value of shares of each Sub-Fund in the Fund shall be determined by the Fund from time to time, but in no instance less than twice monthly. Further information on the NAV calculation frequency is detailed under *Appendix I – Sub-Funds Features*.

The NAV per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the Fund's registered office.

The valuation of the Net Asset Value of each Sub-Fund shall be made in the following manner:

The assets of the Fund shall include:

1) *all cash on hand and on deposit, including interest due but not yet received as well as interest accrued on these deposits up to the Valuation day;*

2) *all bills and demand notes and accounts receivable (including the results of securities sold insofar as the proceeds have not yet been collected);*

3) *all debt securities, 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 (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);*

4) *all dividends and distribution proceeds to be received by the Fund in cash or securities insofar as the Fund is aware of such;*

5) *all interest accrued but not yet received and all interest produced until the Valuation day on securities owned by the Fund, unless this interest is included in the principal amount of such assets;*

6) *the incorporation expenses of the Fund, insofar as they have not yet been written off;*

7) *all other assets of whatever kind and nature, including prepaid expenses.*

The value of the assets shall be determined as follows:

(a) The value of any cash on hand or with banks, bills and notes payable on sight and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

(b) The value of Transferable Securities, Money Market Instruments and any financial assets listed or dealt in on a stock exchange of a non Member State or dealt on a Regulated Market, or on any Other Regulated Market shall be based on the last available closing, or settlement price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Board of Directors. Where such securities are quoted or dealt on more than one stock exchange or regulated market (whether a Regulated Market or an Other Regulated Market), the Board of Directors may, at its own discretion, select the stock exchanges or regulated markets where such securities are primarily traded to determine the applicable value.

(c) The value of any assets held in a Sub-Fund's portfolio which are not listed, or dealt in on a stock exchange of a non Member State, or on a Regulated Market or on any Other Regulated Market of a Member State, or of a non Member State, or, if, with respect to assets quoted or dealt in on any stock exchange, or dealt in on any such regulated markets, the last available closing, or settlement price is not representative of their value, such assets are stated at fair market value, or otherwise at the fair value at which it is expected they may be resold, as determined in good faith by or under the direction of the Board of Directors.

(d) Units or shares of an open-ended undertaking for collective investment ("UCI")/undertaking for collective investment in transferable securities ("UCITS") will be valued at their last determined and available official net asset value, as reported or provided by such UCI/UCITS or its agents, or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Fund on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (b) and (c) above.

(e) The liquidating value of futures, forward, or options contracts not traded on a stock exchange of a non Member State, or dealt in on Regulated Markets, or on Other Regulated Markets, shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward, or options contracts traded on a stock exchange of a non Member State, or on Regulated Markets, or on Other Regulated Markets, shall be based upon the last available settlement, or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on Other Regulated Markets on which the particular futures, forward, or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

(f) Interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.

Credit default swaps are valued on the frequency of the net asset value founding on a market value obtained by external price providers. The calculation of the market value is based on the credit risk of the reference party respectively the issuer, the maturity of the credit default swap and its liquidity on the secondary market. The valuation method is recognised by the Board of Directors and checked by the authorised auditor of the Fund.

Total return swaps will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments are made to reflect any differences between the total return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from markets, a broker, an external pricing agency or a counterparty.

If no such market input data are available, total return swaps will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable are made. The Fund's authorised auditor will review the appropriateness of the valuation methodology used in valuing total return swaps. In any way the Fund will always value total return swaps on an arm-length basis.

All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors.

(g) The value of contracts for differences will be based, on the value of the underlying assets and vary similarly to the value of such underlying assets. Contracts for differences will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

(h) assets or liabilities denominated in a currency other than that in which the relevant Net Asset Value per Share will be expressed, will be converted at the relevant foreign currency spot rate on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by, or pursuant to procedures established by the Board of Directors. In that context account shall be taken of hedging instruments used to cover foreign exchanges risks.

(i) index or financial instrument related swaps will be valued at fair market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction, which is subject to parameters such as the level of the index, the interest rates, the equity dividend yields and the estimated index volatility.

When required, an appropriate model, as determined by the Board of Directors, will be used to value the various sub-fund strategies. The Board of Directors has the right to check the valuations of the swap agreements by comparing them with valuations requested from a third party produced on the basis of retraceable criteria. In the event of any doubt, the Board of Directors is obliged to have the valuations checked by a third party. The valuation criteria must be chosen in such a way that they can be controlled by the Fund's authorised auditor. Furthermore, the authorised auditor will carry out their audit of the Fund, including procedures relating to the swap agreements.

All other securities, instruments and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

For the purpose of determining the value of the Fund's assets, the administrative agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value per Share, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters) or fund administrators, (ii) by prime brokers and brokers, or (iii) by (a) specialist(s) duly authorized to that effect by the Board of Directors. Finally, (iv) in the case no prices are found or when the valuation may not correctly be assessed, the administrative agent may rely upon the valuation provided by the Board of Directors.

In circumstances where (i) one or more pricing sources fails to provide valuations to the administrative agent, which could have a significant impact on the Net Asset Value per Share, or where (ii) the value of any asset(s) may not be determined as rapidly and accurately as required, the administrative agent is authorized to postpone the Net Asset Value per Share calculation and as a result may be unable to determine subscription and redemption prices. The Board of Directors shall be informed immediately by the administrative agent should this situation arise. The Board of Directors may then decide to suspend the calculation of the Net Asset Value per Share in accordance with the procedures described in Article 13 (of the Articles).

Adequate provisions will be made, Sub-Fund by Sub-Fund, for expenses to be borne by each of the Sub-Funds and off-balance-sheet commitments may possibly be taken into account on the basis of fair and prudent criteria.

The Board of Directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

<u>The liabilities of the Fund shall include:</u>

1) *all loans, bills and accounts payable;*

2) *all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);*

3) *all accrued or payable expenses, including but not limited to administrative expenses, investment advisor fees, management fees, including incentive fees, fees of the Depositary including correspondents, and administrative agents' fees;*

4) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund;

5) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other reserves (if any) authorised and approved by the Board of Directors, as well as such amount (if any) as the Board of Directors may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund;

6) all other liabilities of the Fund of whatsoever kind and nature including set-up expenses of the Fund or any of its Sub-Funds reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund which shall comprise formation expenses, fees payable to its investment manager, including performance fees, fees and expenses payable to its auditors and accountants, Depositary and its correspondents, domiciliary and corporate agent, registrar and transfer agent, listing agent, any paying agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration of the directors (if any) and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the cost of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The assets shall be allocated as follows:

The Board of Directors shall establish a Sub-Fund in respect of each Class of Shares and may establish a Sub-Fund in respect of two or more Share Classes in the following manner:

(a) If two or more Share Classes related to one Sub-Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned. Within a Sub-Fund, Share Classes may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions and/or (ii) a specific sales and redemption charge structure and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) a specific currency, (vi) the use of different hedging techniques in order to protect in the reference currency of the relevant Sub-Fund the assets and returns quoted in the currency of the relevant Class of Shares against long-term movements of their currency of quotation; and/or (vii) any other specific features applicable to one Class;

(b) The proceeds to be received from the issue of Shares of a Class shall be applied in the books of the Fund to the Sub-Fund established for that Class of Shares, and the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Shares to be issued, and the assets

and liabilities and income and expenditure attributable to such class or classes shall be applied to the corresponding Sub-Fund subject to the provisions of this article;

(c) Where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant Sub-Fund;

(d) Where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund;

(e) In the case where any asset, liability, fees and expenses of the Fund cannot be considered as being attributable to a particular Class of Shares, such asset or liability shall be allocated to all the Share Classes pro rata to the Net Asset Value per Share of the relevant Share Classes or in such other manner as determined by the Board of Directors acting in good faith. Each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund;

(f) Upon the payment of distributions to the holders of any Class of Shares, the Net Asset Value per Share of such Class of Shares shall be reduced by the amount of such distributions.

All valuation regulations and determinations shall be interpreted and made in accordance with generally accepted accounting principles.

In the absence of bad faith, gross negligence or manifest error, every decision in calculating the Net Asset Value per Share taken by the Board of Directors or by any bank, Fund or other organization which the Board of Directors may appoint for the purpose of calculating the Net Asset Value per Share, shall be final and binding on the Fund and present, past or future Shareholders of the Fund.

2. Temporary Suspension of the Calculation

The Fund may temporarily suspend the calculation of the NAV per Share, the issue, the redemption and conversion of Shares in respect of each Sub-Fund.

Notice of the beginning and of the end of any period of suspension shall be given in a newspaper as required by law or if deemed appropriate by the Board of Directors; such notice shall further be given by the Fund to shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the NAV has been suspended.

Such shareholders may give notice that they wish to withdraw their application for redemption of Shares.

If no such notice is received by the Fund, such application for redemption as well as any application for subscription will be dealt with on the first Valuation Day following the end of the period of suspension.

The Fund may suspend the determination of the Net Asset Value of shares of any particular Sub-Fund and the issue and redemption of the shares in such Sub-Fund as well as the conversion from and to shares of such Sub-Fund:

a) during any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in a non Member State on which a substantial part of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or

b) when political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders of the Fund; or

c) during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or

d) during any period where the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization 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; or

e) during any period when for any other reason the prices of any investments owned by the Fund, including in particular the financial derivative instruments and repurchase transactions entered into by the Fund in respect of any Sub-Fund, cannot promptly or accurately be ascertained; or

f) following a decision to merge, liquidate or dissolve the Fund or, if applicable, one or several Sub-Fund(s); or

g) following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption and/or (iv) the conversion of the shares/units issued at the level of a master in which the Sub-Fund invests in its quality as feeder within the meaning of the 2010 Law; or

h) during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied as soon as an extraordinary general meeting of Shareholders of the Fund or of a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund; or

i) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the Fund are not compiled or published; or

j) upon the order of the Luxembourg supervisory authority; or

k) in any case, at the Board of Directors' discretion when it is in the best interest of the Shareholders.

Such suspension as to any Sub-Fund will have no effect on the calculation of the net asset value, the issue, redemption and conversion of the shares of any other Sub-Fund.

During any period of suspension applications for subscription, redemption or conversion of shares may be revoked, by notification in writing received by the Fund and/or any Sub-Fund, before the end of the suspension. In the absence of such revocation, the issue, redemption or conversion price shall be based on the first calculation of the Net Asset Value made after the expiration of such period of suspension.

GENERAL INFORMATION

1. Corporate Information

The Fund has been incorporated on 16 January 2002, and is governed by 1915 Law.

The registered office is established at 44, rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg. The Fund is recorded at the *Registre de Commerce et des Sociétés* with the District Court of Luxembourg under the number B 85.531.

The Articles were published in the Memorial C, Recueil des Sociétés et Associations (the "*Mémorial*") of 19 February 2002 and have been filed with the Chancery of the District Court of Luxembourg together with the *Notice légale* on the issue and sale of Shares. The Articles have been amended for the last time on 9 January 2018 and published in the *Recueil Electronique des Sociétés et Associations* on 19 February 2018.

Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the Fund.

The minimum capital of the Fund is as provided by law, i.e. EUR 1.250.000 represented by fully paid-up Shares of no par value. This minimum has to be reached within six months after the date on which the Fund has been authorized as a collective investment undertaking under Luxembourg law.

The Fund is open-ended, which means that it may, at any time, on request of the shareholders, redeem its Shares at prices based on the applicable NAV.

The share capital of the Fund shall be, at any time, the total of the net assets of all the Sub-Funds.

Article 11 of the Articles contains provisions enabling the Fund to restrict or prevent the ownership of Shares by United States persons.

2. Merger of the Fund

1. The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

In case the Fund is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Fund is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders of the Fund has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

2. The general meeting of the Shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

The merger decision shall be adopted by the general meeting of Shareholders with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two thirds of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Shares pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

3. Dissolution and Liquidation of the Fund

A. Dissolution of the Fund

The Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in Article 34.2 of the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 6 of the Articles, the question of the dissolution of the Fund shall be referred to the general meeting of Shareholders by the Board of Directors. The general meeting of Shareholders, for which no quorum shall be required, shall decide by a simple majority of the validly cast votes.

The question of the dissolution of the Fund shall further be referred to the general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by Article 6 of the Articles; in such an event, the general meeting of Shareholders shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one quarter of the votes of the Shares represented and validly cast at the meeting.

The general meeting of Shareholders must be convened so that it is held within a period of forty days from ascertainment that the net assets of the Fund have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

B. Liquidation of the Fund

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, appointed by the general meeting of Shareholders which shall determine their powers and their compensation.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out pursuant to the provisions of the 2010 Law. Such law specifies the steps to be taken to enable the Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of the liquidation. Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will at the close of the liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010 Law, where the proceeds will be held at the disposal of the Shareholders entitled thereto until the end of the statutory limitation period.

4. Dissolution and Merger of Sub-Funds

Closure of Sub-Funds and/or Share Classes

1. In the event that for any reason the value of the net assets in any Sub-Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or if the Board of Directors otherwise considers it to be in the best interest of the Shareholders of the relevant Sub-Fund and/or Class, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Share Classes issued in such Sub-Fund or the relevant Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class. The Fund shall serve a notice to the Shareholders of the relevant Class or Share Classes prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

2. Notwithstanding the powers conferred to the Board of Directors by the paragraph above, the general meeting of Shareholders of any Sub-Fund or Class within any Sub-Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of

investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

3. Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the "*Caisse de Consignation*" on behalf of the persons entitled thereto.

4. All redeemed Shares shall be cancelled.

5. The liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund under the conditions of the 2010 Law.

Mergers of Sub-Funds and Amalgamation of Share Classes

1. The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another new or existing Luxembourg or foreign UCITS; or
- another new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS ,

In the case the last, or unique Sub-Fund involved in a merger is the absorbed UCITS (within the meaning of the 2010 Law) and, hence, ceases to exist upon completion of the merger, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Sub-Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

In addition when the interest of the shareholders so require, the Board of Directors may also decide on the closing of one or several Sub-Funds through contribution to one or several other Sub-Funds in the Fund or to one or several sub-funds of another UCITS incorporated under Luxembourg law and subject to the provisions of Part I of the 2010 Law.

2. The general meeting of the Shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any new or existing Luxembourg or foreign UCITS ; or
- any new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS,

by a resolution adopted with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two third of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other classes within the same Sub-Fund or into Shares of same or other classes within another Sub-Fund pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

3. In the event that for any reason the value of the net assets in any Class of Shares has decreased below the minimum level under which the Sub-Fund may no longer operates in an economically efficient manner, or as a matter of economic rationalisation or for any reason determined by the Board of Directors, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). The Fund shall send a written notice to the Shareholders of the relevant Class as required by any applicable law. The decision of the Board of Directors will be subject to the right of the relevant Shareholders to request, without any charges, other than those retained by the Sub-Fund to meet disinvestment costs the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Sub-Fund or into Shares of same or other Classes within another Sub-Fund.

Split of Sub-Funds

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or in the event of a change in the economic or political situation which would have material consequences on the relevant Sub-Fund, the Board of Directors may decide to reorganise a Sub-Fund by splitting it into two or more Sub-Funds. Such a decision will be notified and/or published as required by any applicable law.

RISK FACTORS

The following factors can significantly affect the Sub-Funds performance:

Equity Risk

While equities have historically been a leading choice of long-term investors, the fluctuations in their prices can sometimes be exacerbated in the short-term.
Because equity securities represent ownership in their issuers, prices of these securities can suffer for such reasons as poor management, shrinking product demand and other business risks.
Many factors can affect equity market performance: economic, political and business news can influence market-wide trends, over the short term as well as the long term.

Investment in Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time. The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a sub-fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Non-investment grade securities

Furthermore, for Sub-Funds whose policy allows for the investment in securities rated lower than BBB- by Standard & Poors (or Baa3 by Moody's, or its equivalent), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- by Standard & Poors (or Baa3 by Moody's, or its equivalent), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

Investing in Emerging Countries

Investment in securities issued by issuers situated in or traded on markets situated in emerging countries involves risk factors and special considerations, including those which follow which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse

government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund. By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be under developed enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

Interest Rate Risk

Investment in debt securities or money market instruments is subject to interest rate risk.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the risk that such movements in interest rates will negatively affect a security's value or, in a sub-fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk.

While changes in interest rates may affect a sub-fund's interest income, such changes may positively or negatively affect the net asset value of the sub-fund's shares on a daily basis.

Prepayment Risk

Many types of debt securities, including mortgage securities, are subject to prepayment risk. Prepayment occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

Currency Risk

Since the securities held by a sub-fund may be denominated in currencies different from its base currency, the sub-fund may be affected favorably or unfavorably by changes in the exchange rates between such reference currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

Although a sub-fund may use hedging or other techniques in seeking to minimize its exposure to currency risk, it may not be possible or desirable to hedge against all currency risk exposure, nor is it guaranteed that a hedging technique will perform as anticipated.

Issuer-Specific Changes

Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can

affect the credit quality or value of an issuer's securities. Lower-quality debt securities (those of less than investment-grade quality) tend to be more sensitive to these changes than higher-quality debt securities.

Small Cap Investing

The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers and can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Smaller issuers can have more limited product lines, markets and financial resources.

Investment in Financial Derivative Instruments

Investment in warrants

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the sub-funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

Futures and Options

The Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below "OTC Derivative Transactions"). The Fund must comply with the limits set out under the Section "Investment and Borrowing Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

OTC Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on

currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. The Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

EU Regulation No 648/2012 of 4th July 2012 on OTC derivatives, central counterparties and trade repositories, known as European Market Infrastructure Regulation ("EMIR") was designed to improve the stability of the OTC markets throughout the EU aiming at introducing uniform requirements in respect of OTC derivatives transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain detail of derivatives transactions to trade repositories.

Prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR and similar regulatory regimes may adversely affect the Fund's ability to achieve its investment objectives. In addition, the implementation and the compliance with the requirement laid down in EMIR may increase the overall costs borne by the Fund as further detailed in the Section Management and Fund charges.

Risks of relating to the use of SFTs

SFTs involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in SFTs is the risk of default by counterparty who has become insolvent or is otherwise unable or refuse to honour its obligation to return securities or cash to the Sub-Fund as required by the terms of the transaction: **Counterparty risk**.
As an example, the Fund and any of its Sub-Funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in the Section Techniques and Instruments. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Fund or the relevant Sub-Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Fund and any of its Sub-Funds may also enter into securities lending transactions subject to the conditions and limits set out in the Section Techniques and Instruments. If the other party to a securities lending transaction should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund or the relevant Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral: SFTs also entail **Liquidity risk** due to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption request.

The Sub-Fund may also incur **Operational risk** such as non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligation under sales of securities, and **Legal risks** related to the documentation uses in respect of such transactions.

The Sub-Fund's assets are held in custody by the Depositary which exposes the Compartment to **Custodian Risk**. This means that the Sub-Fund is exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

The Sub-Fund may enter into SFTs with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any SFTs concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transaction in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interest or that of affiliated counterparties.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the Fund's or the relevant Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Fund's or the relevant Sub-Fund's NAV.
In respect of margin lending transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

Risk of relating to the use of TRSs

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves **Counterparty risk**. If the Sub-Fund engages in OTC FDI, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Funds enters into TRSs on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

Collateral Management risk

Counterparty risk arising from OTC FDI and SFTs is generally mitigated by the transfer of pledge of collateral in favor of the Sub-Fund. However, transactions may not be fully collateralized. Fees and returns due to the Sub-Fund may not be collateralized. If a counterparty default, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such case, the Sub-Fund could realise a loss due to inaccurate pricing or monitoring of the collateral, adverse movements, deterioration in the credit rating of issuers of the collateral may delay or restrict the ability of the Sub-Fund to meet redemption request.
A Sub-Fund may also incur a loss reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transactions. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Potential Risks associated with investing in CoCos

- Risk related to the trigger threshold: each instrument has its own characteristics. The level of conversion risk may vary, for example depending on the distance between the issuer's Tier 1 ratio and a threshold defined in the terms of issue. 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.
- Conversion risk: the behaviour of this instrument in the event of conversion may be unpredictable. The manager may be required to sell its securities in the event of a conversion into shares in order to comply with the sub-fund's investment policy.
- Impairment risk: the conversion mechanism of certain contingent convertible bonds may result in a total or partial loss of the initial investment.
- Risk of loss of coupon: with certain types of CoCos, the payment of coupons is discretionary and may

be cancelled by the issuer at any time and for an indeterminate period.

- Risk of inversion of the capital structure: unlike the conventional capital hierarchy, under certain circumstances investors in CoCos may bear a loss greater than that of the shareholders. This is particularly the case when the trigger threshold is set at a high level.
- Risk of non-exercise of the repayment option by the issuer: As CoCos can be issued as perpetual instruments, investors may not be able to recover their capital on the optional reimbursement dates provided for in the terms of issue.
- Risk of concentration in a single industry: to the extent that contingent convertible bonds are issued by a single category of issuer, adverse events in the industry could affect investments in this type of instrument in a global manner.
- Risk linked to the complexity of the instrument: as these instruments are relatively recent, their behaviour during a period of stress and testing of conversion levels may be highly unpredictable.
- Liquidity risk: as with the high yield bond market, the liquidity of contingent convertible bonds may be affected significantly in the event of a period of turmoil in the markets.
- 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.

Each investment policy for each Sub-Fund will indicate the maximum percentage planned for this type of instrument, if an investment is planned in CoCos.

Potential Risks associated with investing in Asset-Backed Securities ("ABS") and Mortgage-Backed Securities ("MBS")

Certain Sub-Funds may have exposure to ABS and MBS as further detailed in their respective investment policies under section headed "*Sub-Funds Details*".

The obligations associated with ABS and MBS may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

In addition, ABS and MBS are often exposed to extension and prepayment risks.

Extension risk: The risk of a security's expected maturity lengthening in duration due to the deceleration of prepayments. Extension risk is mainly the result of rising interest rates. As interest rates may rise due to different economic factors, the likelihood of prepayment decreases as people will be less likely to refinance their real estate investment.

Prepayment risk: The risk associated with the early unscheduled return of principal on a fixed-income security. On a mortgage/asset-backed security, the higher the interest rate relative to current interest rates, the higher the probability that the underlying mortgages will be refinanced. Investors who pay a premium for a callable bond with a high interest rate take on prepayment risk. In addition to being highly correlated with falling interest rates, mortgage prepayments are highly correlated with rising home values, as rising

home values provide incentive for borrowers to trade up in homes or use cash-out re-finances, both leading to mortgage prepayments.

Hedged Classes

In the case where shares are hedged against the reference currency of a particular sub-fund, such hedging may, for technical reasons or due to market movements, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

Credit Risk

Credit risk, related to all fixed income securities as well as money market instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or specific to an issuer, are all the factors that may have an adverse impact on an issuer's credit quality and security values.

Counterparty Risk

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered when evaluating a contract.
The Fund is exposed to counterparty risk when entering into Over the Counter ("OTC") derivatives contracts or into cash deposits.

Liquidity Risk

This is the risk of losing a certain amount of money when liquidating one or more positions in a portfolio. The loss is generated by the difference between the price at which the financial asset is marked and the price at which it can be sold.
Liquidity risk arises from situations in which a party interested in trading an asset cannot do it because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.
Manifestation of liquidity risk is very different from a drop of price to zero. In case of a drop of an asset's price to zero, the market is saying that the asset is worthless. However, if one party cannot find another party interested in trading the asset, this can potentially be only a problem of the market participants with finding each other. This is why liquidity risk is usually found to be higher in emerging markets or low-volume markets.

Regulatory and Legal Risks

The Fund must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the investment restrictions, which might require a change in the investment policy and objectives followed by a compartment. The compartment's assets, the Underlying Asset and the derivative techniques used to expose the compartment to the Underlying Assets may also be subject to change in laws or regulations and/or regulatory action which may affect the value of the Shares. The Fund is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

MiFID II: impose new regulatory obligations on the Investment Manager. These regulatory obligations may impact on, and constrain the implementation of, the investment approach of the Fund and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or the Fund.

Extension of pre- and post-trade transparency

MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Fund. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

Equities – On-exchange trading

MiFID II introduces a new rule that an EU regulated firm may execute certain equities trades only on an EU trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Manager's ability to implement the Fund's investment objective and investment approach is uncertain.

OTC derivatives

MiFID II requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID II introduces a new trading venue, the "organised trading facility", which is intended to provide greater price transparency and

competition for bilateral trades. The overall impact of such changes on the Fund is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Access to research

MiFID II prohibits an EU authorised investment firm from receiving investment research unless it is paid for directly by the firm out of its own resources or from a separate research payment account. EU research providers that are MiFID firms will be obliged to price their research services separately from their execution services. It is uncertain whether these changes will lead to an overall increase in the price of research and/or lead to reduced access to research for the Investment Manager in relation to the Fund's investment approach.

Changes to use of direct market access

MiFID II introduces new requirements on EU banks and brokers which offer direct market access ("DMA") services to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of the Fund's investment approach.

Changes to conduct rules for EU brokers

Historically, certain EU sell-side firms have used IPO and secondary allocations as a way of rewarding their most valued buy-side clients (in terms of trading volumes or commissions) for the business that they have given to the firm previously or to incentivise future business. New MiFID II requirements effectively prohibit such behaviour, as MiFID II precludes a sell-side firm from allocating issuances to clients either (a) to incentivise the payment of a large amount of fees for unrelated services provided by the EU firm or (b) which is conditional on the receipt of future orders or the purchase of any other service from the EU firm by a client. As a result, the manner in which the Investment Manager is allocated IPOs and secondary issuances by its sell-side service providers is likely to change significantly, which may have an adverse effect on the Investment Manager's ability to implement the Fund's investment approach.

Changes to policies and procedures and costs of compliance

MiFID II requires significant changes to a number of the Investment Manager's policies and procedures, including with respect to best execution, payment for and access to research, and conflicts of interest, which may adversely affect the Investment Manager's implementation of the Fund's investment approach. Compliance with these requirements is likely to result in the Investment Manager incurring significant costs and may also result in increased costs for the Fund.

Sustainability risks

Sustainability risk means an ESG event or condition that, if it occurs, could potentially cause a material or negative impact on the value of a Sub-fund's investment. The incorporation of ESG considerations as further disclosed in the investment specifics of each Sub-Fund may affect the Sub-Fund's investment performance. As such, Sub-Funds that utilise an investment approach that integrates ESG considerations may perform differently compared to similar investment funds that do not factor in ESG considerations.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and based on ESG data which are difficult to obtain. This assessment is the result of the Management Company's or the Investment Manager's, as the case may be, own research and analysis as further detailed, where applicable, in the Sub-Fund's specifics to this Prospectus. Such ESG factors and risks might not correspond directly with investor's own subjective views.

Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-fund.

The Fund, the Management Company or the Investment Manager, as the case may be, do not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of any ESG assessment of the underlying investments.

For the purposes of SFDR, sustainability risks, where relevant to the investment decisions being made in respect of each Sub-Fund or likely to have a material impact on the Sub-Fund's return, will be described in the section headed "Sub-Funds details" to this Prospectus.

When a Sub-Fund promotes environmental or social characteristics or has a sustainable investment objective, such information will be further detailed in the Sub-Fund's investment policy or strategy in compliance with SFDR.

SUB-FUNDS DETAILS

1. VG SICAV – MBC DIVERSIFIED FUND

2. VG SICAV – BOND PLUS MULTI STRATEGY

VG SICAV – MBC DIVERSIFIED FUND

Information contained herein should be read in conjunction with the full text of the Prospectus.

1. Reference Currency

EUR

2. Fees

Performance Fee

Applicable to all Share classes

The Performance Fee will amount to **20**% of return of the relevant Share Class **that exceeds** the High Watermark [[1]].

The Investment Manager is entitled to 70% of such Performance Fee, and the remaining amount will be paid to the Investment Advisor by the Fund.

The Performance Fee is calculated at the level of each Fund Share Class which means its performance can differ from investors' shares performance according to the date(s) of their subscription(s) within the reference period.

The reference NAV is either the initial Net Asset Value per Share at the launch date or the previous year end Net Asset Value per Share.

The start of the reference period (yearly – calendar year) is either the beginning of the calendar year or the launch date of the share class.

On each Valuation Day, an accrual of Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the Sub-Fund as described below.

The Performance Fee will be calculated taking into account movements on the capital (adjustments are made for preventing artificial performance fee increase due to the sole increase of outstanding shares in period where the return of the share class leads the NAV per share above the High Watermark) and applying the Crystallization

High Water Mark[1]: High Water Mark: Highest historical Net Asset Value per share of the relevant Class as of the end of most recent reference period for which a performance fee was paid or payable to the Investment Manager, or if no performance fee has been paid since the inception, then the initial Net Asset Value per share of such share class of the sub-fund. The applicable HWM is subject to no reset during the whole life of the Sub-Fund.

Principle[2] so that the Performance Fee is calculated on the basis of the NAV (gross of the share class distributed dividend during the Reference Period – if any) after deduction of all expenses, liabilities, Management Fees (but excluding Performance Fee) and is adjusted to take into account all subscriptions and redemptions (total outstanding shares). If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be crystallized and paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

If any, the performance fee will be paid yearly on the basis of the last Net Asset Value per share of the calendar year and paid at the beginning of the following one. In case of negative performance, no performance fee will be paid.

Examples of scenarios with performance fee **key features**:

Year 1:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
110.00	100.00	**YES**	**2**	**108.00**

Year 2:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
112.00	108.00	**YES**	**0.8**	**111.20**

Crystallization Principle [2]: Any accrued positive performance fee will be crystallized when there are redemptions, the proportion of the accrued performance fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV.

Year 3:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
109.00	111.20	**NO**	**n.a.**	**n.a.**

Year 4:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
111.00	111.20	**NO**	**n.a.**	**n.a.**

Year 5:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
115.00	111.20	**YES**	**0.76**	**114.24**

Year 6:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
116.00	114.24	**YES**	**0.35**	**115.65**

3. Fee Schedule, available Share Classes and main features

See Appendix I and Appendix II

4. Investment Policy

The Sub-Fund is a fund of funds, whose objective is to achieve capital growth and to maximize the return on investments, through a look through selection in line with the Sub-Fund investment policy based, in particular, on the following criteria: the performance of the Target Funds over three years, the volatility, and the Sharp Ratio (a measure for calculating risk-adjusted return).
For that purpose, under normal conditions, the Sub-Fund will mainly invest in Target Funds (51% minimum of the assets of the Sub-Fund) investing their assets in equities, bonds, convertible bonds and other eligible assets (as further described in Sections 7 and 8 of the prospectus), without specific sectorial allocation which will be done with regards to the markets conditions and the Investment Manager discretion, geographical allocation will be done with regards to the markets conditions and the Investment Manager discretion, within the limits as set out below.

The Sub-Fund may secondarily invest in equities, bonds, convertible bonds and other eligible assets (as further described in Sections 7 and 8) without specific sectorial allocation, and, or up to 7% in ETCs.

The selection will be done in the respect of the following conditions:

- Main exposure to OECD countries; and up to 15% maximum of the assets may be invested in Emerging Markets (excluded People's Republic of China (PRC));
- The management fee applying to the Target Funds shall not exceed 2.5% (two point five percent).

To comply with the investment policy, the Sub-Fund may use financial derivative instruments, dealt in on a regulated market or not, subject to the provisions of the Chapter “Investments policies and restrictions”, for the purposes of hedging currency risks, interest rate risk and market risk and for efficient portfolio management, therefore including investment purposes, to meet the sub-fund’s investment objective.

The objective of the Sub-Fund is not to be exposed to asset-backed securities (“ABS”), mortgage-backed securities (“MBS”) or contingent convertible capital (“CoCos”). Nevertheless, indirect exposure limited to a residual part of the assets of the Sub-Fund may occur from the investment in the eligible Target Funds.

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

Under exceptional market circumstances, for the sole purpose of protecting the Sub-Fund assets, and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis subject to the diversification limits.

This Sub-Fund is actively managed meaning that the Investment Manager has, subject to the stated investment objectives and policy, discretion over its portfolio, with no reference or constraint to any benchmark.

For the purposes of Article 6 of SFDR, sustainability risks are not currently relevant to the investment decisions being made in respect of the Sub-Fund, based on its investment strategy. Sustainability risks are currently not likely to have a material impact on the returns of the Sub-Fund.

The Sub-Fund does not promote environmental or social characteristics either and does not have as objective sustainable investment as provided by Articles 8 or 9 of SFDR.

The Investment Manager does not consider principal adverse impacts of its investment decisions on sustainability factors as the size, the nature and the scale of the activities of the Sub-Fund are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the Sub-Fund is mainly determined by risk factors other than sustainability-related risk factors.

5. Profile of the Typical Investor

The Sub-Fund is suitable for any investor type including those who are not interested in or informed about capital market topics but who see funds as a convenient "savings" product.

Investors interested in investing worldwide through investment funds and diversifying their risk over all the underlying funds.

The investors will seek return on the medium to long term.

6. Risk Profile

The risks pertaining to an investment in the Sub-Fund are those primarily related to equities, interest rates, credits, commodities, currencies and emerging markets, as further described in Appendix III. The Sub-Fund may have these additional risks: derivative risks, as further described in Appendix III.

The value of investments may vary (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not recover the full amount invested. The Sub-Fund's performance may be adversely affected by variations in the relative strength of individual world currencies or if the EUR strengthens against other currencies.

7. Historical Performance

Investors are invited to refer to the Key Investor Investment Document of the Fund where historical performance of the Sub-Fund is disclosed.

VG SICAV – BOND PLUS MULTI STRATEGY

Information contained herein should be read in conjunction with the full text of the Prospectus.

1. Reference currency

EUR

2. Performance Fee

The Performance Fee will amount respectively to **20**% for Classes I, A, A1, and to **30**% for Classes R, L, of return of the relevant Share Class **that exceeds** the High Watermark [[1]].

The Investment Manager is entitled to 70% of such Performance Fee, and the remaining amount will be paid to the Investment Advisor by the Fund.

The Performance Fee is calculated at the level of each Fund Share Class which means its performance can differ from investors' shares performance according to the date(s) of their subscription(s) within the reference period.

The reference NAV is either the initial Net Asset Value per Share at the launch date or the previous year end Net Asset Value per Share.

The start of the reference period (yearly – calendar year) is either the beginning of the calendar year or the launch date of the share class.

On each Valuation Day, an accrual of Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the Sub-Fund as described below.

The Performance Fee will be calculated taking into account movements on the capital (adjustments are made for preventing artificial performance fee increase due to the sole increase of outstanding shares in period where the return of the share class leads the NAV per share above the High Watermark) and applying the Crystallization Principle[2] so that the Performance Fee is calculated on the basis of the NAV (gross of the share class distributed

High Water Mark[1]: High Water Mark: Highest historical Net Asset Value per share of the relevant Class as of the end of most recent reference period for which a performance fee was paid or payable to the Investment Manager, or if no performance fee has been paid since the inception, then the initial Net Asset Value per share of such share class of the sub-fund. The applicable HWM is subject to no reset during the whole life of the Sub-Fund.

Crystallization Principle [2]: Any accrued positive performance fee will be crystallized when there are redemptions, the proportion of the accrued performance fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV.

dividend during the Reference Period – if any) after deduction of all expenses, liabilities, Management Fees (but excluding Performance Fee) and is adjusted to take into account all subscriptions and redemptions (total outstanding shares). If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be crystallized and paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

If any, the performance fee will be paid yearly on the basis of the last Net Asset Value per share of the calendar year and paid at the beginning of the following one. In case of negative performance, no performance fee will be paid.

Examples of scenarios with performance fee **key features** based on a rate of 20%:

Year 1:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
110.00	100.00	**YES**	**2**	**108.00**

Year 2:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
112.00	108.00	**YES**	**0.8**	**111.20**

Year 3:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
109.00	111.20	**NO**	**n.a.**	**n.a.**

Year 4:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
111.00	111.20	**NO**	**n.a.**	**n.a.**

Year 5:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
115.00	111.20	**YES**	**0.76**	**114.24**

Year 6:

1	2	3	4	5
Year end NAV before Perf Fee	**HWM**	**Perf Fee to pay (If 1 > 2)**	**Theoretical Gross Payable Perf Fee = (1-2) x 20%**	**Year end NAV post Perf Fee = (1-4)**
116.00	114.24	**YES**	**0.35**	**115.65**

3. Fee Schedule, available Share Classes and main features

See Appendix I and Appendix II

4. Investment Policy

This Sub-Fund will seek to obtain a high level of return as may be consistent with the preservation of capital by investing directly or indirectly, and under normal conditions, in:

- fixed income securities worldwide ;
- money market instruments, convertible bonds, zero coupon bonds ;
- high yield bonds either investment non-investment grade and unrated bonds (up to 100% of its net assets) ;
- CoCos up to 15% (fifteen percent) of its total net assets;
- Financial derivative instruments on Equity Indexes;
- Financial derivative instruments on Currencies.

The securities can be denominated in a wide range of foreign currencies.

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total assets in Target Funds, provided that the management fee applying to the Target Funds shall not exceed 3% (three percent).

The Sub-Fund will not directly invest in asset-backed securities ("ABS") or mortgage-backed securities ("MBS"), indirect exposure may occur from the investment in the eligible Target Funds.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments, dealt on a regulated market or not, subject to the provisions of the Section "Investments and Borrowing Restrictions", for the purposes of hedging currency risks, interest rate risk, and market risk and for efficient portfolio management, therefore including investment purposes, to meet the sub-fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives dealt on a regulated market or OTC ("Over the counter").

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

This Sub-Fund is actively managed meaning that the Investment Manager has, subject to the stated investment objectives and policy, discretion over its portfolio, with no reference or constraint to any benchmark.

For the purposes of Article 6 of SFDR, sustainability risks are not currently relevant to the investment decisions being made in respect of the Sub-Fund, based on its investment strategy. Sustainability risks are currently not likely to have a material impact on the returns of the Sub-Fund.

The Sub-Fund does not promote environmental or social characteristics either and does not have as objective sustainable investment as provided by Articles 8 or 9 of SFDR.

The Management Company does not consider principal adverse impacts of its investment decisions on sustainability factors as the size, the nature and the scale of the activities of the Sub-Fund are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the Sub-Fund is mainly determined by risk factors other than sustainability-related risk factors.

5. Profile of typical investor

Investor who is comfortable with low to medium investment risk.

6. Risk profile

Such risks including potential risks associated with investing in CoCos are further detailed in the above section Risk Factors.

APPENDIX I – SUB-FUNDS FEATURES

Sub-fund	Class	Targeted investors	Shares' form	Category	Denomination Currency	Currency Hedged Share Class	Valuation Day	Initial issue price	Minimum initial investment[1]	Minimum subsequent investment[1]	Minimum holding amount[1]
VG SICAV – MBC DIVERSIFIED FUND	R	Retail	Registered Shares and/or dealt in through clearing houses	**Capitalisation**	EUR	N/A	Daily	1'000	5'000	2'000	3'000
	U	Retail			USD	YES		1'000	5'000	5'000	5'000
	I	Institutional			EUR	N/A		1'000	300'000	20'000	150'000

[1] *The Board of Directors is authorised to waive any requirements relating to the initial minimum subscription amount, to the subsequent minimum amount or to the minimum holding amount in its reasonable discretion and by taking into consideration the best interest of the Fund.*

Sub-funds	Class	Targeted investors	Shares' form	Categories	Denomination Currency	Currency Hedged Share Class	NAV Calculation Frequency	Initial Issue Price	Initial Minimum Investment[14]	Subsequent Minimum Investment[1]	Minimum Holding Amount[1]
VG SICAV – BOND PLUS MULTI STRATEGY	R	Retail	Registered / or dealt in through a clearing house	Accumulation	EUR CHF USD	YES for CHF & USD Classes	Daily	100	1'000	None	1'000
	I	Institutional						100	10'000	None	1'000
	A	All Types of Investors						100	1'000	None	1'000
	A1	All Types of Investors						100	100	None	100
	A2	All Types of Investors			EUR	N/A		100	5'000	None	1'000
	L	Listed and tradable on Borsa Italiana			EUR	N/A		100	1 share	1 share	1 share

[1] The Board of Directors is authorised to waive any requirements relating to the initial minimum investment, subsequent minimum investment or to the minimum holding amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

APPENDIX II – SUB-FUNDS FEES

Sub-fund	Class	Global Management and Distribution Fee	Depositary Fee	Administration Fee	Performance Fee[1]	Subscription Fee[2]	Redemption Fee[2]	Conversion Fee[2]
VG SICAV – MBC DIVERSIFIED FUND	R	2.50% with a minimum of EUR 15'000 per sub-fund per year	Up to 0.10% with a minimum of EUR 15'000 per sub-fund per year	Up to EUR 50'000 per sub-fund per year	YES	Up to 2%	None	None
	U	2.50% with a minimum of EUR 15'000 per sub-fund per year			YES	Up to 2%	None	None
	I	1.50% with a minimum of EUR 15'000 per sub-fund per year			YES	None	None	None
VG SICAV – BOND PLUS MULTISTRATEGY	R	0.15% with a minimum of EUR 12'500 per sub-fund per year	Up to 0.10% with a minimum of EUR 15'000 per sub-fund per year	Up to EUR 50'000 per sub-fund per year	YES	Up to 5%	Up to 2%	None
	I	0.80% with a minimum of EUR 12'500 per sub-fund per year			YES	Up to 5%	Up to 2%	None
	A	1.00% with a minimum of EUR 12'500 per sub-fund per year			YES	Up to 5%	Up to 2%	None
	A1	1.50% with a minimum of EUR 12'500 per sub-fund per year			YES	None	None	None
	A2	1.65% with a minimum of EUR 12'500 per sub-fund per year			NO	None	None	None
	L	0.30% with a minimum of EUR 12'500 per sub-fund per year			YES	None	None	None

[1] *As further described in the Sub-Funds details.*
[2] *Out of the Shareholders' assets. Such fee may be use in order to remunerate the distributors, and any other financial intermediaries involved in the distribution, placement and marketing of the Shares through a regular agreement.*

APPENDIX III – SUB-FUNDS SPECIFIC RISK DETAILS

	Global Exposure approach used	Relative benchmark[1]	Expected level of leverage (Sum of Notionals)	Higher leverage[1] levels (Sum of Notionals)	Expected level of leverage (Commitment)	Higher leverage[1] levels (Commitment)
VG SICAV – MBC DIVERSIFIED FUND	Commitment	N/A	N/A	N/A	N/A	N/A
VG SICAV – BOND PLUS MULTI STRATEGY	VAR	N/A	400	500	400	500

[1] *If the VAR approach is used. The level of leverage may vary over time. Investors must be aware of the possibility of higher leverage levels under certain circumstances.*

The Commitment approach is based on the sum of notionals of Financial Derivatives Instruments ("FDI") applying Netting and Hedging techniques. The FDI could be used for leverage or hedging as well as to create synthetic positions on securities that could not be bought directly on the market.