

# **OFFERING DOCUMENT**

## **ACTIVA SICAV**

*An Investment Company with Variable Capital  
Specialised Investment Fund  
organized under the laws of the Grand Duchy of Luxembourg*

4, rue Jean Monnet, L-2180 Luxembourg  
Grand Duchy of Luxembourg

**July 2016**

The Shares referred to in this offering document (the "Offering Document") are offered solely on the basis of the information contained herein and in the reports referred to in the Offering Document. In connection with the offer hereby made, no person is authorised to give any information or to make any representations other than those contained in the Offering Document and the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in the Offering Document shall be solely at the risk of the purchaser.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered, sold, transferred or delivered, directly or indirectly, in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a US Person as such expression is defined hereinafter. The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act and with the consent of the Fund, 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"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly or indirectly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "US Person"). The sale and transfer of Shares to US Persons is restricted and the Fund may redeem Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the 1933 Act and furthermore with the Foreign Account Tax Compliance Act ("FATCA"). For the purpose of compliance with FATCA, the restriction on investors is to be understood as a restriction on (i) specified US Persons, (ii) Non-participating Foreign Financial Institutions, (iii) Passive Non-Financial Foreign Entities with one or more substantial US owners (collectively the "ineligible investors"). All purchasers must certify that the beneficial owner of such Shares is not a US Person respectively an ineligible investor and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Offering Document may not be delivered to US Persons, ineligible investors or to any person who may not legally be able to receive it or in respect of whom a sales solicitation is unlawful (collectively the "unauthorised persons").

The Board of Directors of the Fund will demand the immediate refunding of the Shares bought or held by an unauthorised person, including by investors who would have become unauthorised persons after the acquisition of the Shares.

Shareholders shall notify the Fund and/or the Registrar and Transfer Agent i) if they become unauthorised persons or ii) if they hold Shares in the Fund in breach of the applicable laws and regulations, the Offering Document or the Articles of Incorporation, or iii) in any circumstances which may affect the taxation of and/or have legal and/or regulatory consequences for the Fund or the Shareholders or which may otherwise have a negative impact on the Fund or the other Shareholders.

The Board of Directors of the Fund has taken reasonable care to ensure that the information stated herein is in accordance with the facts and does not omit anything likely to affect the import of such information. The Board of Directors of the Fund accepts responsibility accordingly.

**Prospective investors are invited to make their own assessment of the conditions of their participation in the Fund, on the basis of the Offering Document. It is the responsibility of the prospective investors to determine whether an investment in the Fund is suitable for them.**

By subscribing to the Shares, each investor consents to the processing of its personal data (such as its denomination, address and amount of the investment (the “Personal Data”)) including documentary evidence, as collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, the Depositary, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary and Corporate Agent and any other person who provides services to the Fund from time to time and the financial intermediaries of such investors. In particular, such Personal Data may be processed for the purposes of FATCA and Common Reporting Standard related due diligence and reporting requirements (as the case may be) as well as any other exchange of information procedures to which the Fund may be subject from time to time. Such information shall not be passed on to any unauthorised third persons. Such Personal Data may be disclosed to the Luxembourg tax authority (the “LTA”), which in turn may, acting as data controller, disclose it to foreign tax authorities. Each Shareholder has a right of access to its Personal Data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

#### Enquiries or Complaints

Any investor enquiries or complaints should be submitted to the Management Company at the following address: [compliance@aaml.lu](mailto:compliance@aaml.lu) and any response will be made in writing.

The complaints handling policy established by the Management Company may be requested, free of charge, by contacting the Management Company at the email address [compliance@aaml.lu](mailto:compliance@aaml.lu) or through the following website: [www.andbank.lu](http://www.andbank.lu).

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## **1. OVERVIEW**

### **FUND**

ACTIVA SICAV  
4, rue Jean Monnet, L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **MEMBERS OF THE BOARD OF DIRECTORS OF THE FUND**

Sergi Pallerola Gene, Chief Global Portfolio Manager, Andorra Gestio Agricol Reig, SAU,  
Chairman of the Board of Directors of the Fund

Gerard Alba Soler, Chief Executive Officer, Andorra Gestio Agricol Reig, SAU

Pedro Pueyo Pons, Global Operations Manager, Andorra Gestio Agricol Reig, SAU

### **ALTERNATIVE INVESTMENT FUND MANAGER**

Andbank Asset Management Luxembourg  
**4, rue Jean Monnet, L-2180 Luxembourg**  
Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE ALTERNATIVE INVESTMENT FUND MANAGER**

Gerard Albà Soler, Chief Executive Officer, Andorra Gestio Agricol Reig, SAU

Donald Villeneuve, Managing Director, Andbank Asset Management Luxembourg

Alain Léonard, Director, Andbank Asset Management Luxembourg

Josep Xavier Casanovas, Chief Risk Officer, Andbank Group

Galo Juan Sastre, Head of Global Compliance, Andbank Group

Philippe Esser, Director, Andbank Asset Management Luxembourg

Juan Manuel Garcia Sanchez, Chief Risk Officer, Andbank España SAU, residing in Madrid

### **CONDUCTING OFFICERS OF THE ALTERNATIVE INVESTMENT FUND MANAGER**

Donald Villeneuve, Managing Director

Luis Gomez, General Director

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

Citibank Europe plc, Luxembourg Branch  
31, Z.A. Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

## **DEPOSITORY AND PAYING AGENT**

Citibank Europe plc, Luxembourg Branch  
31, Z.A. Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

## **DOMICILIARY AND CORPORATE AGENT**

Andbank Asset Management Luxembourg  
**4, rue Jean Monnet, L-2180 Luxembourg**  
Grand Duchy of Luxembourg

## **AUDITORS OF THE FUND**

KPMG Luxembourg, Société coopérative  
39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## 2. GLOSSARY

**AIFM** - Andbank Asset Management Luxembourg, acting as alternative investment fund manager of the Fund

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

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

**Alternative Investment Fund** - an alternative investment fund as defined in the Law of 2013 ("AIF")

**Articles of Incorporation** - the articles of incorporation of the Fund, as amended

**Assets** - resource managed by an entity as a result of transactions from which future economic benefits may be obtained

**Business Day** - a day on which banks are open for business in Luxembourg

**Category** - group of Shares of each Class, which are sub-divided into accumulation of income or distribution of income

**Class** - group of Shares of each Sub-Fund which may differ, *inter alia*, in respect of their specific denominated currency, charging structures or other specific features

**Controlling Person** - the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

**CSSF** - *Commission de Surveillance du Secteur Financier*, the Luxembourg authority in charge of the supervision of undertakings for collective investment in the Grand Duchy of Luxembourg

**Depositary** - Citibank Europe plc, Luxembourg Branch

**EU** - the European Union

**Euro or EUR** - the single currency of the member states of the Economic and Monetary Union

**ESMA Guidelines 2013/232** - the ESMA guidelines on sound remuneration policies under the AIFM Directive dated 3 July 2013

**Fund** - a Luxembourg *société d'investissement à capital variable – specialised investment fund* as more fully described below in Section “The Fund”, known as “ACTIVA SICAV”

**Law of 2007** - the law of 13 February 2007 relating to specialised investment funds, as amended

**Law of 2010** - the law of 17 December 2010 relating to undertakings for collective investment, as amended

**Law of 2013** - the law of 12 July 2013 on alternative investment fund managers, as amended

**Member State** - a member state of the EU

**Mémorial** - the *Mémorial C, Recueil des Sociétés et Associations*

**Money Market Instruments** - instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time

**Net Asset Value** - the net asset value, issue, redemption and conversion price per Share of the relevant Sub-Fund as determined in the Reference Currency on each Valuation Day in accordance with Section “Determination of the Net Asset Value of Shares”

**OTC** - Over the Counter

**Portfolio Manager** - any entity appointed from time to time by the AIFM in relation to the portfolio management of a Sub-Fund

**Reference Currency** - the currency in which the Fund or each Sub-Fund or each Class is denominated

**Register** - the Luxembourg Register of Trade and Companies

**Regulated Market** - a regulated market as defined in Directive 2004/39/EC on markets in financial instruments (also known as “MiFID”)

**Shareholder** - owner of Shares

**Shares** - each share within any Sub-Fund

**Sub-Fund** - a separate portfolio of assets within the Fund

**Sub-Fund's Asset** or "gross assets" - for each Sub-Fund, the sum resulting of its assets plus any amount borrowed for the purpose of investments (if any)

**Transferable Securities** - (i) shares in companies and other securities equivalent to shares in companies (“shares”); (ii) bonds and other forms of securitised debt (“debt securities”) and (iii) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as techniques and instruments as described hereafter

**UCI** - an undertaking for collective investment as defined by Luxembourg law

**UCITS** - an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive

**UCITS Directive** - Council Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

**Valuation Day** - in relation to any Sub-Fund shall be each Business Day except a Business Day falling within a period of suspension of determination of Net Asset Value, as described in Section “Determination of the Net Asset Value of Shares”

**Well-Informed Investor** - well-informed investors in the meaning of Article 2 of the Law of 2007

### **3. THE FUND**

The Fund is an investment company qualifying as a “*société d’investissement à capital variable – fonds d’investissement spécialisé*” with multiple Sub-Funds organised in and under the laws of the Grand Duchy of Luxembourg including the law of 10<sup>th</sup> August 1915 on commercial companies, as amended (“Law of 1915”), which envisages to invest in a diversified range of transferable securities and/ or other assets accepted by the Law of 2007, conforming to the investment policy of each particular Sub-Fund. The Fund qualifies as an alternative investment fund in accordance with the Law of 2013.

The Fund is registered pursuant to the Law of 2007. However such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Offering Document or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

The Fund was incorporated for an unlimited period of time on 15 July 2011.

The Fund’s Articles of Incorporation have been deposited with the Luxembourg Register of Trade and Companies (the "Register") and published in the Mémorial on 27 July 2011. The Fund has been registered with the Register under the number B 162.269.

The minimum capital of the Fund as provided by the Law of 2007, which must be achieved within twelve (12) months from the date on which the Fund has been authorised as a specialised investment fund, is Euro 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at Euro 31,000. The share capital of the Fund will be equal at any time to the total value of the assets of all the Sub-Funds.

The Articles of Incorporation may be amended from time to time by a general meeting of Shareholders, subject to the quorum and majority requirements provided by the Law of 1915. Any amendment thereto shall be published in the Mémorial, in a Luxembourg daily newspaper and, if necessary, in the official publications specified for the respective countries in which the Shares are sold. Such amendments become legally binding on all Shareholders, following their approval by the general meeting of Shareholders.

In accordance with the Articles of Incorporation, the Board of Directors of the Fund may issue Shares in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant 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(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

Each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-Fund. A purchase of Shares relating to one particular Sub-Fund does not give the holder of such Shares any rights with respect to any other Sub-Fund.

The net proceeds from the subscription to each Sub-Fund are invested in the specific portfolio of assets constituting that Sub-Fund.

With regard to third parties, any liability will be exclusively attributed to the relevant Sub-Fund.

The specific investment policy and features of the Sub-Funds are described in detail in the Appendices below.

The Board of Directors of the Fund may, at any time, create additional Sub-Funds. In that event the Offering Document will be updated accordingly.

Furthermore, in respect of each Sub-Fund, the Board of Directors of the Fund may decide to issue one or more Classes of Shares, each Class having e.g. a specific sales and redemption charge structure, a specific management fee structure, different distribution, Shareholders servicing or other fees, different types of targeted investors, different currencies and/or such other features as may be determined by the Board of Directors of the Fund from time to time. The currency in which the Classes of Shares are denominated may differ from the Reference Currency of the relevant Sub-Fund. The Fund may, at the expense of the relevant Class of Shares, use instruments such as forward currency contracts to hedge the exposure of the investments denominated in other currencies than the currency in which the relevant Class of Shares is denominated.

The Classes of Shares may be sub-divided into two Categories: accumulation of income and distribution of income.

The Classes of Shares and their Categories for each Sub-Fund are indicated in the relevant Appendix below.

The amounts invested in the various Classes or Categories of Shares of each Sub-fund are themselves invested in a common underlying portfolio of investments. The Board of Directors of the Fund may decide to create further Classes or Categories of Shares with different characteristics and, in such case, the Offering Document will be updated accordingly.

Shares of different Classes or Categories within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share, within the relevant Sub-Fund, as defined in the Articles of Incorporation and in the Offering Document.

#### **4. INVESTMENT OBJECTIVES AND POLICIES**

##### **4.1 Investment Objective of the Fund**

The purpose of the Fund is to provide investors with an opportunity for investment in a professionally managed mutual investment fund in order to achieve an optimum return from the capital invested. The Fund is restricted solely to Well-Informed Investors such as institutional investors, professional investors and any other qualified investors, as specified under article 2 of the Law of 2007.

The Fund will seek to achieve its objective, in accordance with the policies and guidelines established by the Board of Directors of the Fund.

For this purpose the Fund offers a choice of Sub-Funds as described in the Appendices below, which allow investors to make their own strategic allocation.

##### **4.2 Investment Objectives and Policies of the Sub-Funds**

The Board of Directors of the Fund has determined the investment objective and policies of each Sub-Fund as described in the relevant Appendix below. There can be

no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the risk spreading rules and investment policy applicable to the relevant Sub-Fund.

See Section “Risk Considerations” below for a discussion of certain factors in connection with an investment in the relevant Sub-Funds.

#### 4.3 Risk Management

The AIFM has established and maintains a permanent risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to each Sub-Fund’s investment strategy including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

The risk profile of each Sub-Fund shall correspond to the size, portfolio structure and investment strategy as specified for each Sub-Fund in the Appendices below.

The AIFM applies a comprehensive risk management process based on qualitative and quantitative risk measures to assess the risks of each Sub-Fund.

Leverage means any method by which the AIFM increases the exposure of the Fund, whether through borrowings of cash or securities, or leverage embedded in derivative positions or by any other means.

The level of leverage employed by the Sub-Funds is calculated in accordance with the gross method and the commitment method as specified in the AIFM Regulation. The respective maximum level of leverage which may be employed by each Sub-Fund under normal market conditions is disclosed in the relevant Sub-Fund Appendix below. Such percentages do not constitute investment restrictions and may vary from time to time.

#### 4.4 Liquidity Management

The AIFM employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of each Sub-Fund. The AIFM ensures that, for each Sub-Fund it manages, the investment and financing strategy, the liquidity profile and the redemption policy are consistent. As further described in Section “Redemption of Shares”, the Fund may apply gates to handle redemption requests.

### 5. RISK CONSIDERATIONS

#### 5.1 General

Despite the possibility for the Fund to use options, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge exchange rate risks, all Sub-Funds are subject to market or currency fluctuations, and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

#### 5.2 Exchange Rates

The currency in which the Classes of Shares of each Sub-Fund is denominated is not necessarily the Reference Currency of the relevant Sub-Fund or the investment currency of the Sub-Fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-Funds in the view of the AIFM.

Changes in foreign currency exchange rates may affect the value of Shares held in the Sub-Funds.

Shareholders investing in a Sub-Fund other than in the currency in which the relevant Class is denominated should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

**5.3 Interest Rates**

The value of fixed income securities held by the Sub-Funds generally will vary inversely with changes in interest rates and such variation may affect Share prices accordingly.

**5.4 Equity Securities**

The value of a Sub-Fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-Funds, which will fluctuate as the value of the underlying equity securities fluctuates.

**5.5 Investments in other UCI and/or UCITS**

The value of an investment represented by a UCI and/or UCITS in which the Fund invests, may be affected by fluctuations in the currency of the country where such UCI and/or UCITS invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value per Share will fluctuate mainly in light of the net asset value of the targeted UCIs and/or UCITS.

**5.6 Duplication of Fees**

There shall be duplication of management fees and other operating fund related expenses, each time the Fund invests in other UCIs and/or UCITS.

**5.7 Emerging Markets**

Potential investors should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential investors should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.

**5.8 Options, Futures and Swaps**

Each of the Sub-Funds may use options, futures and swap contracts and enter into forward foreign exchange transactions to the extent allowed in accordance with the investment policy of the Sub-Funds. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions

involves investment risks and transaction costs to which the Sub-Funds would not be subject if they did not use these strategies. If the Sub-Funds AIFM predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-Fund may leave the Sub-Fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swap and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the AIFM's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time.

Where a Sub-Fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-Fund.

#### 5.9 Credit Default Swaps (CDS)

Some Sub-Funds are or may be authorised in the future to use Credit Default Swaps (CDS). A CDS consists of the transfer of the risk associated with a given borrower (a company or sovereign state) from one of the parties (the buyer of the CDS) to the other party (the seller of the CDS). This results in the net transfer from the seller to the buyer of the risk corresponding to the difference between the nominal value and the market value of the debt security issued by the borrower and underlying the CDS. The transfer takes place only in the event of a payment default by the borrower, which may include its liquidation, its inability to restructure its debts or its inability to make repayments in accordance with the agreed schedule of repayments.

Most CDS contracts are based on a physical settlement, whereby the seller pays the nominal value of the underlying debt security to the buyer in exchange for the security. An alternative is to settle the contract against payment, in other words, the seller pays the difference between the nominal value and the market value to the buyer. In exchange for this protection, the buyer of a CDS will pay the seller a regular premium. Payment default will suspend payment of premiums.

The mark-to-market valuation of this type of instrument shall be carried out whenever the Net Asset Value is calculated.

CDS contracts may be entered into:

- a. for hedging purposes: the Fund may sign CDS contracts to protect itself against specific or general risks related to its credit activity, by purchasing such cover.
- b. for the sound management of the portfolio: the Fund may sign CDS contracts to acquire general or specific exposure related to its credit activity, in order to achieve its investment objectives.

Exposure to underlying assets through CDS contracts, in conjunction with other derivatives, must not exceed the limit specified under the investment restrictions.

Exposure through CDS contracts sold corresponds to the underlying nominal value of the contract whereas exposure through CDS bought corresponds to the value of outstanding premiums, discounted to current value.

5.10 Tax risk

Shareholders should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Sub-Funds invest or may invest in the future cannot be definitively established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed retroactively. It is therefore possible that the Sub-Funds could become subject to additional taxation in such countries where this is not anticipated either at the date of the Offering Document or when investments are made, valued or disposed of. Any change in taxation legislation could affect the value of the investments held by and the performance of the Fund and/or the Sub-Funds.

5.11 Liquidity risk

Liquidity risk is the risk that a given asset cannot be traded quickly enough without affecting the price of the asset. In normal market conditions, liquidity risk is low as the Sub-Funds may only invest in eligible assets as described in the Offering Document. In turbulent market times however, low-volume markets make it difficult for the Sub-Funds to sell their assets at their fair price or to sell them at all. Should the Sub-Funds face large redemption requests in turbulent market times, the Board of Directors of the Fund may take appropriate measures to protect Shareholders' interests.

5.12 Risk related to the use of leverage

The Sub-Funds may make use of borrowings, financial derivative instruments and other efficient portfolio management techniques. The use of such instruments and techniques has a leverage effect, which creates the potential for more significant profits, but also gives rise to a higher risk that losses will exceed the amount invested. The use of leverage therefore increases the overall risk involved in investing in the Fund's Shares.

5.13 Risk related to Foreign Account Tax Compliance Act (FATCA)

The withholding tax regime of FATCA became effective in phases since 1 July 2014. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholders concerned may be adversely impacted to a significant extent.

5.14 Risk related to Common Reporting Standard

For exchange of information purpose, Shareholders are informed that their personal and account information (the Information as described in the Common Reporting Section) may be reported to the relevant tax authorities.

Any Shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such Shareholders' failure to provide the Information or subject to disclosure of the

Information by the Fund to the LTA In addition, as the case may be, the Fund may redeem Shares held by such Shareholders.

## 6. MANAGEMENT OF THE FUND

### 6.1 The Board of Directors of the Fund

The Board of Directors of the Fund is responsible for the Fund's management, control, administration and the determination of its overall investment objectives and policies.

There are no existing or proposed service contracts between any of the directors and the Fund, although the directors are entitled to receive remuneration in accordance with usual market practice.

### 6.2 AIFM

The Board of Directors of the Fund has appointed Andbank Asset Management Luxembourg to act as its alternative investment fund manager within the meaning of the Law of 2013. The AIFM has its registered office at 4, rue Jean Monnet, L-2180 Luxembourg Grand Duchy of Luxembourg. To that effect an alternative investment fund management agreement (the "Alternative Investment Fund Management Agreement") was concluded for an indefinite period. The Alternative Investment Fund Management Agreement may be terminated by either of the two parties subject to three (3) months' prior notice.

Andbank Asset Management Luxembourg was incorporated on 7 August 2009 for an indefinite period, as a public limited company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg. It is authorised as a management company under chapter 15 of the Law of 2010 and as an alternative investment fund manager under chapter 2 of the Law of 2013.

In accordance with Annex I of the Law of 2013, the AIFM is in charge of the investment management activities (i.e. portfolio and risk management). In addition, the AIFM performs the administration, marketing and other activities related to the assets of the Fund, if applicable.

The AIFM may, in accordance with the Law of 2007, the Law of 2013 and the AIFM Regulation, delegate under its sole responsibility all or parts of the aforementioned duties to third parties duly authorised to perform such functions. Such delegations, if applicable, are further described in detail below.

The AIFM holds appropriate additional own funds in accordance with the provisions of the Law of 2013 and the AIFM Regulation to cover any potential professional liability resulting from its activities as AIFM. Additionally, the AIFM holds a professional indemnity insurance against liability arising from professional negligence.

In its role as portfolio manager, the AIFM makes, subject to the overall control and ultimate responsibility of the Fund, discretionary investments with respect to the investment and reinvestment of the assets of each Sub-Fund.

The AIFM makes the investment decisions for each Sub-Fund and places purchase and sale orders for the Sub-Fund's transactions. As permitted by applicable laws, these orders may be directed to brokers, including the AIFM's affiliates. The AIFM draws upon the research and expertise of its asset management affiliates for portfolio decisions and management with respect to certain securities.

The AIFM further performs compliance monitoring services and implements and maintains as indicated under Section “Risk Management” a risk management structure for the Fund which complies with applicable Luxembourg laws and regulations.

Subject to its overall responsibility, control, and supervision, the AIFM may, with the prior approval of the Fund, delegate the management of other investment strategies relating to the Fund or any Sub-Fund to a Portfolio Manager or appoint an investment advisor to provide day-to-day advice regarding the Sub-Funds' transactions to the AIFM.

The AIFM receives a management fee as remuneration for its services as AIFM of the Fund.

## **7. INVESTMENT ADVISOR**

The Board of Directors of the Fund or the AIFM as the case may be, may appoint Investment Advisors with regard to investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments. The Board of Directors of the Fund respectively the AIFM is not obliged to follow the investment recommendations of the Investment Advisors.

The names of the Investment Advisors are further described in each Sub-Fund relevant Appendix below.

## **8. DEPOSITORY, PAYING AGENT, ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT**

### **8.1 Depository and Paying Agent**

The Fund has, under the terms of the Depositary Bank Services Agreement, engaged Citibank Europe plc, Luxembourg Branch as depositary of the Fund's assets and paying agent.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in Part II of the Law of 2007 and chapter 3, section 4 of the Law of 2013, essentially consisting of:

- monitoring and verifying the Fund's cash flows;
- safekeeping of the Fund's assets, including *inter alia* verification of ownership;
- ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg laws and regulations, the Offering Document and the Articles of Incorporation;
- ensuring that the value of the Shares is calculated in accordance with Luxembourg laws and regulations, the Offering Document and the Articles of Incorporation;
- ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- ensuring that the Fund's income is applied in accordance with Luxembourg laws and regulations, the Offering Document and the Articles of Incorporation; and
- carrying out instructions from the AIFM unless they conflict with Luxembourg laws and regulations, the Offering Document and the Articles of Incorporation.

Citibank Europe plc is a public limited company domiciled in Ireland and authorized by the Central Bank of Ireland, acting through its Luxembourg Branch having its offices at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with

the Luxembourg Register of Trade and Companies (Registre de Commerce et des Sociétés) under number B 200204, which is licensed for all types of banking activities. Citibank Europe plc, Luxembourg Branch is a member of the Citigroup group of companies, having as their ultimate parent Citigroup Inc., a US publicly quoted company.

The Depositary may delegate its functions in accordance with the Depositary and Paying Agent Services Agreements, the Law of 2013 and the AIFM Regulation to sub-custodians. The Depositary's liability is not affected by such delegation. A list of sub-custodians is available at the registered office of the AIFM on request.

In accordance with the Law of 2013 and the AIFM Regulation, the Depositary is liable to the Fund or to the Shareholders, for the loss of a financial instrument held by the Depositary itself or a sub-custodian. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the AIFM acting on behalf of the Fund without undue delay. However, in accordance with the provisions of the Law of 2013, the Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable to the Fund or to the Shareholders for all other losses by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Law of 2013 and the AIFM Regulation.

In case of direct liability of the Depositary vis-à-vis the Shareholders they shall, in line with the terms of the Depositary Bank Services Agreement, not exercise any claims on the Depositary directly but shall request the AIFM to do so on their behalf. Only in a case where the AIFM does not accept such request (for whatever reason) shall the Shareholders be allowed to exercise any such claim directly vis-à-vis the Depositary. The Depositary Bank Services Agreement contains indemnities in favor of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

The Depositary may discharge itself of liability in relation to the loss of a financial instrument where such instrument is held by a sub-custodian under the conditions set out in the Law of 2013 and the AIFM Regulation. Such discharge is currently not foreseen in relation to the Fund. Should the Depositary decide to make use of such discharge in accordance with the Law of 2013 and the AIFM Regulation, the Shareholders will be informed on an *ad hoc* basis and the Offering Document will be updated accordingly.

Where the law of a third country requires that certain financial Instruments be held in custody by a local entity and no local entity satisfies the delegation requirements as set out in the Law of 2013, the AIFM Regulation, and any other applicable rules and regulations, the Depositary may delegate its functions to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements. At this point in time, no such delegation is made. If such a delegation is made, the Offering Document will be updated accordingly.

Each of the Depositary or the AIFM may terminate the appointment of the Depositary at any time upon ninety days' written notice delivered by either to the other although termination may be immediate in certain circumstances such as the insolvency of the Depositary, provided, however, that any termination by the AIFM is subject to the condition that a successor depositary assumes within two months the responsibilities and the functions of the Depositary and provided, further, that the duties of the Depositary hereunder shall, in the event of a termination by the AIFM, continue

thereafter for such period as may be necessary to allow for the transfer of all assets of the Fund to the successor depositary.

In the event of the Depositary's resignation, the AIFM shall as soon as possible and in any case not later than two months after the termination, appoint a successor depositary who shall assume the responsibilities and functions of the Depositary.

The Depositary may not be replaced without the approval of the CSSF.

As Paying Agent, Citibank Europe plc, Luxembourg Branch undertakes to act as paying agent of the Fund and to arrange upon proper instructions of the Fund for the payment of dividends, if any.

The fees and charges of Citibank Europe plc, Luxembourg Branch calculated with reference to the net assets and payable monthly are borne by the Sub-Funds pro rata to their respective net assets and are conform to common practice in Luxembourg.

#### 8.2 Administrative Agent, Registrar and Transfer Agent

Citibank Europe plc, Luxembourg Branch has been appointed as Administrative Agent as well as Registrar and Transfer Agent of the Fund.

As Registrar and Transfer Agent, and Administrative Agent, Citibank Europe plc, Luxembourg Branch is, among others, responsible for the processing of the issue and redemption of Shares, the computation of the Net Asset Value per Share, the maintenance of records and other general administrative functions.

#### 8.3 Domiciliary and Corporate Agent

The Board of Directors of the Fund has appointed Andbank Asset Management Luxembourg as Domiciliary and Corporate Agent for the Fund in accordance with a Domiciliation Agreement entered into between the Fund and Andbank Asset Management Luxembourg for an unlimited period of time. In such capacity, this latter will be responsible for all domiciliation duties required by the Luxembourg laws.

### 9. MARKETING

The AIFM acts as distributor of the Fund.

### 10. MONEY LAUNDERING PREVENTION

Pursuant to the Luxembourg law of 12<sup>th</sup> November 2004 relating to the prevention of money laundering and terrorist financing as amended, and any applicable CSSF circulars and regulations, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes and terrorist financing purposes. Within this context a procedure for the identification of Shareholders has been imposed requiring each non-individual Shareholder to provide certified copies of its articles of incorporation and, where applicable, an extract from the commercial register and/or such other evidence of identification as may be required. Shareholders who are individuals must provide certified copies of their identity card or a valid passport and/or such other evidence of identification as may be required. Failure to provide proper documentation may result in a rejection of the subscription or the withholding of redemption proceeds.

This identification procedure must be complied with by Citibank Europe plc, Luxembourg Branch acting as Transfer Agent in the case of direct subscriptions to a

Sub-Fund, and in the case of subscriptions received by the Sub-Fund from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering and terrorist financing. It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force (*Groupe d'Action Financière*) are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

## 11. SHARES

**Prospective investors are advised that the offering of the Shares is restricted to Well-Informed Investors only and that the Fund will not permit the issuance and transfer of Shares to persons who may not be considered as Well-Informed Investors.**

The Fund is one single entity; however, the rights of investors and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund are limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the Shareholders relating to this Sub-fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-fund. In the relations between the Fund's Shareholders, each Sub-fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-fund will be charged to the different Sub-funds pro rata to their respective net assets, if appropriate due to the amounts considered.

The net proceeds from the subscription are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The Fund shall issue Shares in registered form only.

The inscription of the Shareholder's name in the register of Shares evidences his or her right of ownership of such registered Shares. A confirmation of shareholding will be delivered upon request.

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

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class or Category to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of Shareholders. Fractions of Shares are not entitled to a vote, but are entitled to participate in the liquidation proceeds. Shares are issued without par value and must be fully paid for subscription.

The Board of Directors may also decide to issue, within each Sub-Fund, different classes of Shares (the "Classes") having e.g. (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure and/or (iii) different distribution, Shareholders servicing or other fees and/or (iv) different types of targeted investors and/or (v) different currencies and/or such other features as may be determined by the Board of Directors of the Fund from time to time.

The currency in which the Fund or each Sub-Fund is denominated is the reference currency (the "Reference Currency").

The currency in which the Classes of Shares are denominated may differ from the Reference Currency of the relevant Sub-Fund. The Fund, at the expense of the relevant Class of Shares, may use instruments such as forward currency contracts to hedge the

exposure of the investments denominated in other currencies than the currency in which the relevant Class of Shares is denominated.

The Classes of Shares may be sub-divided into two Categories: accumulation of income and distribution of income.

The Shares in any Sub-Fund shall be issued without par value. Details regarding the Classes or Categories of Shares available per Sub-Fund and their features are disclosed in the Appendices below.

The Board of Directors of the Fund may decide to create further Classes or Categories of Shares with different characteristics, and in such cases, the Offering Document will be updated accordingly.

## 12. **SUBSCRIPTION OF SHARES**

Applications for Shares may be made on any Business Day. Investors whose applications are received by the Registrar and Transfer Agent, as more fully described for each Sub-Fund in the relevant Appendix below, will be allotted Shares at a price corresponding to the Net Asset Value per Share as of the relevant Valuation Day. Unless otherwise specified in the Appendices below, no subscription fees will be charged on the subscription of Shares. Unless otherwise expressed in the Sub-Funds Appendices below, the Net Asset Value per Share of each Class or Category will normally be available one (1) Business Day after the relevant Valuation Day. Applications for subscription may also be made through the distributors and/ or sub-distributors, in such a case investors should note that other subscription procedures or time limits may apply.

Instructions for the subscription of Shares may be made by fax or by post. Applications for subscription should contain the following information (if applicable): the identity, address of the Shareholder requesting the subscription, the relevant Sub-Fund, the relevant Class or Category, ISIN code, the number of Shares or currency amount to be subscribed.

Any new subscriber must apply for a minimum amount as more fully described for each Sub-Fund in the relevant Appendix below. Such minimum may be reached by combining investments in various Sub-Funds. However, the Fund may authorise a new subscriber to apply for Shares amounting to a sum that is less than the minimum initial investment or the equivalent in the Reference Currency of the relevant Sub-Fund from time to time.

Confirmation statements will be faxed or e-mailed to subscribers or their banks by the Fund not later than five (5) Business Days from the date of payment of the subscription price at the risk of the Shareholder.

Payment shall be made in the Reference Currency of the Sub-Fund or, if applicable, in the denomination currency of the relevant Class or Category as disclosed in the Appendices below in the form of electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank transfers) to the order of the Depositary not later than five (5) Business Days counting from and including the date on which the Net Asset Value per Share of the subscribed Shares is published, unless otherwise specified in the Sub-Funds Appendices below.

In the case of suspension of dealings in Shares, the subscription will be dealt with on the first Valuation Day following the end of such suspension period.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities by any Shareholder who agrees, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund (“*réditeur d’entreprises agréé*”) which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall in principle be borne by the relevant Shareholder.

The Fund may, at any time at its discretion, temporarily discontinue, cease definitely or limit the issue of Shares to persons or corporate bodies residing or established in certain countries or territories. The Fund may also prohibit certain persons or corporate bodies from acquiring Shares if such a measure is necessary for the protection of the Fund or any Sub-Fund, the Shareholders of the Fund or any Sub-Fund.

Furthermore, the Fund may (i) reject in whole or in part at its discretion any application for Shares or (ii) redeem at any time the Shares held by Shareholders who are excluded from purchasing or holding Shares, in which case subscription monies paid, or the balance thereof, as appropriate, will normally be returned to the applicant within five (5) Business Days thereafter, provided such subscription monies have been cleared.

### **13. REDEMPTION OF SHARES**

Shareholders may request redemption of their Shares on any Business Day.

Application for redemption must be made in writing to the Registrar and Transfer Agent. Shareholders whose applications for redemption are received by the Registrar and Transfer Agent as more fully described for each Sub-Fund in the relevant Appendix below will have their Shares redeemed at a price corresponding to the Net Asset Value per Share as of the relevant Valuation Day.

Unless otherwise specified in the Appendices below, no redemption fees will be charged on the redemption of Shares. The Net Asset Value per Share of each Class or Category will normally be available one (1) Business Day after the relevant Valuation Day unless otherwise specified in the Sub-Funds Appendices below.

Application for redemption may also be made through the distributors or sub-distributors, in such a case Shareholders should note that other redemption procedures and time limits may apply.

The Fund shall ensure that an appropriate level of liquidity is maintained in each Sub-Fund so that, under normal circumstances, redemption of Shares of a Sub-Fund may be made by the Valuation Day.

If on any Valuation Day redemption requests relate to more than 10% of the Shares in issue in a specific Class or Category or Sub-Fund, the Fund may decide that part or all of such requests for redemption will be deferred for such period as the Fund considers to be in the best interests of the Sub-Fund, but normally not exceeding one (1) Valuation Day. On the next Valuation Day following such period, these redemption requests will be met in priority to later requests.

The redemption price may, depending on the Net Asset Value per Share applicable on the date of redemption, be higher or lower than the price paid at the time of subscription.

Instructions for the redemption of Shares may be made by fax or by post. Applications for redemption should contain the following information (if applicable): the identity and address and register number of the Shareholder requesting the redemption, the

relevant Sub-Fund, the relevant Class or Category, the number of Shares or currency amount to be redeemed, the name in which such Shares are registered and full payment details, including name of recipient, bank and account number. All necessary documents to fulfil the redemption should be enclosed with such application.

Redemption requests must be accompanied by a document evidencing authority to act on behalf of such Shareholder or power of attorney which is acceptable in form and substance to the Fund. Redemption requests made in accordance with the foregoing procedure shall be irrevocable, except that a Shareholder may revoke such request in the event that it cannot be honoured for any of the reasons specified in the Offering Document.

Unless otherwise specified in the Sub-Funds Appendices below, upon instruction received from the Fund, payment of the redemption price will be made by the Depositary or its agents not later than five (5) Business Days counting from and including the date on which the Net Asset Value per Share of the redeemed Shares is published, unless otherwise specified in the Sub-Funds Appendices below. Payment for such Shares will be made in the Reference Currency of the relevant Sub-Fund or, if applicable, in the denomination currency of the relevant Class or Category as disclosed in the Appendices below or in any freely convertible currency specified by the Shareholder. In the last case, any conversion cost shall be borne by the relevant Shareholder.

The Fund may, at the request of a Shareholder, agree to make, in whole or in part, a payment in-kind of securities of the Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund ("*réditeur d'entreprises agréé*"). The total or partial in-kind payment of the redemption proceeds may only be made (i) with the consent of the relevant Shareholder which consent may be indicated in the Shareholder's application form or otherwise and (ii) by taking into account the fair and equal treatment of the interests of all Shareholders. In addition, in-kind payments of the redemption proceeds will only be made provided that the Shareholders who receive the in-kind payments are legally entitled to receive and dispose of the redemption proceeds for the redeemed Shares of the relevant Sub-Fund. In the event of an in-kind payment, the costs of any transfers of securities to the redeeming Shareholder shall be borne by that Shareholder. To the extent that the Fund makes in-kind payments in whole or in part, the Fund will undertake its reasonable efforts, consistent with both applicable law and the terms of the in-kind securities being distributed, to distribute such in-kind securities to each redeeming Shareholder pro rata on the basis of the redeeming Shareholder's Shares of the relevant Sub-Fund.

#### 14. CONVERSION OF SHARES

Unless otherwise specified in the Appendices below, Shareholders are entitled to convert all or part of their Shares of a particular Class or Category into Shares of other Class(es) or Category(ies) of Shares (as far as available) within the same Sub-Fund or Shares of the same or different Classes or Categories of Shares (as far as available) of another Sub-Fund.

Shareholders who wish to convert all or part of their Shares must submit an application by fax or by post to the Registrar and Transfer Agent, specifying the Sub-Fund, the Class or Category or Sub-Funds and Classes or Categories concerned and the number of Shares they wish to convert.

Instructions for the conversion / switching of Shares may be made by fax or by post. Applications for conversion / switches should contain the following information (if

applicable): the identity, address of the Shareholder requesting the conversion, the relevant Sub-Fund, ISIN code of the conversion-in Fund as well as the ISIN code of the conversion-out Fund, the relevant Class or Category, the number of Shares or currency amount to be switched / converted. All necessary documents to fulfil the switch should be enclosed with such application.

A conversion of Shares of a particular Class or Category of one Sub-Fund for Shares of another Class or Category in the same Sub-Fund and/or for Shares of the same or different Class or Category in another Sub-Fund will be treated as a redemption of Shares and a simultaneous purchase of Shares of the acquired Class or Category and/or Sub-Fund. A converting Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

Shares may be tendered for conversion on any Business Day.

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

Investors whose applications for conversion are received by the Registrar and Transfer Agent as more fully describe for each Sub-Fund in the relevant Appendix below will have their Shares converted on the basis of the respective Net Asset Value per Share of the relevant Shares as of the applicable Valuation Day. The Net Asset Value per Share of the relevant Shares will normally be available one (1) Business Day after the relevant Valuation Day unless otherwise specified in the Sub-Funds Appendices below.

The price at which Shares shall be converted will be determined by reference to the respective Net Asset Value per Share of the relevant Shares of the relevant Class or Category of Shares or Sub-Fund calculated on the relevant Valuation Day, taking into account the actual rate of exchange on the day concerned.

If the Valuation Day of the Class or Category of Shares or Sub-Fund taken into account for the conversion does not coincide with the Valuation Day of the Class or Category of Shares or Sub-Fund into which they shall be converted, the Shareholders' attention is drawn to the fact that the amount converted will not generate interest during the time separating the two Valuation Days.

Unless otherwise specified in the Appendices below, no conversion fee will be charged on the conversion of Shares.

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

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

where:

- A is the number of Shares to be allocated in the New Sub-Fund or New Class;
- B is the number of Shares of the Original Sub-Fund or Original Class which is to be converted;

- C is the Net Asset Value per Share of the Original Class or the relevant Class or Category of Shares within the Original Sub-Fund at the relevant Valuation Day;
- D is the Net Asset Value per Share of the New Class or the relevant Class or Category of Shares within the New Sub-Fund at the relevant Valuation Day; and
- E is the actual rate of exchange on the day concerned applied to conversions between Sub-Funds or Classes or Categories of Shares denominated in different currencies, and is equal to 1 in relation to conversions between Sub-Funds or Classes or Categories of Shares denominated in the same currency.

After conversion of the Shares, the Registrar and Transfer Agent will inform the Shareholder of the number of Shares of the New Sub-fund or New Class obtained by conversion and the price thereof.

## **15. LATE TRADING AND MARKET TIMING**

### **15.1 Late trading**

The Fund determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any sales charges). Subscription applications have to be received and will be accepted for each Sub-Fund only in accordance with the deadlines set out in the Appendices below.

### **15.2 Market timing**

The Fund is not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Fund's Shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Fund in its discretion may, if it deems such activities adversely affect the interests of the Fund's Shareholders, take action as appropriate to deter such activities.

Accordingly if the Fund determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its Shareholders.

## **16. DETERMINATION OF THE NET ASSET VALUE OF SHARES**

The Net Asset Value per Share of each Class or Category of Shares in each Sub-Fund is determined at least twice a year, unless otherwise determined in the relevant Appendix below (herein referred as to "Valuation Day"). The Net Asset Value will be expressed in the Reference Currency of the Sub-Fund.

The Reference Currency of the Fund is Euro.

The calculation of the Net Asset Value of Sub-Funds investing mainly in other funds will be completed by the Administrative Agent normally before the next Valuation Day unless more than 40% of the underlying portfolios of funds prices are not available to the Administrative Agent. If so, the latter may suspend, without further notice to the Shareholders, the publication of the Net Asset Value per Share until disposal of at least

60% of the underlying portfolios of funds prices which represent at least 60% of the total Net Asset Value (herein referred as to “Publication Day”).

The Net Asset Value per Share of each Class or Category of Shares is determined by dividing the value of the total assets of that Sub-Fund properly allocable to such Class or Category less the liabilities of such Sub-Fund properly allocable to such Class or Category by the total number of Shares of such Class or Category outstanding on the relevant Valuation Day. The Net Asset Value per Share is rounded up to two decimal places.

The assets of the Fund, in relation to each Sub-Fund, shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned by the Fund or contracted by the AIFM on behalf of the Fund (provided that the AIFM may make some 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);
- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts and all call or put options the Fund has an open position in;
- (viii) Any amount borrowed on behalf of each Sub-Fund and on a permanent basis, for investment purposes;
- (ix) All other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is 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 is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (b) The value of securities listed or dealt in on a Regulated Market, stock exchange or other regulated markets will be valued at the last available price on such markets. If a security is listed or traded on several markets, the closing price at the market which constitutes the main market for such securities, will be determining;
- (c) In the event that the securities are not listed or dealt in on a Regulated Market, stock exchange or other regulated markets or if, in the opinion of the AIFM, the latest available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the AIFM based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Fund;
- (d) The liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, stock exchange or other regulated markets shall mean their

net liquidating value determined, pursuant to the policies established by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, stock exchange or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable;

- (e) Credit Default Swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability or such other method determined in good faith by the AIFM if it considers that such valuation better reflects the fair value of the relevant Credit Default Swaps. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM and recognised by the auditor of the Fund;
- (f) Units or shares of open-ended UCIs will be valued at their last official net asset value, as reported or provided by such UCIs or their agents, or at their unofficial net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values provided that a due diligence process has been carried out, in accordance with instructions and under the overall control and responsibility of the AIFM, as to the reliability of such unofficial net asset values. The Net Asset Value per Share calculated on the basis of unofficial net asset values of target UCIs may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the target UCIs. The Net Asset Value is final and binding notwithstanding any different later determination. Units or shares of closed-ended UCIs shall be valued at their last available stock market value;
- (g) The Net Asset Value per Share of any Sub-Fund may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Sub-Fund would receive if it sold the investment. The AIFM will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Sub-Fund's investments will be valued at their fair value as determined in good faith by the AIFM. If the AIFM believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the AIFM shall take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;  
The relevant Sub-Fund shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date; Index and financial instruments related swaps will be valued at their 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 established in good faith pursuant to procedures established by the AIFM;

- (i) All other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the AIFM;
- (j) The AIFM, 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.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the AIFM is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the Net Asset Value per Share of any Class or Category in a particular Sub-Fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-Fund are dealt in or quoted, the AIFM may, in order to safeguard the interests of the Shareholders and the Fund, cancel the first valuation of the Net Asset Value per Share and carry out a second valuation. All the subscription, redemption and conversion orders received on such day will be dealt at the second Net Asset Value per Share.

In any event, the AIFM ensures the proper and independent valuation of the assets of each Sub-fund and may appoint in accordance with the Law of 2013 external valuers for certain or all types of assets of any Sub-Fund. If an external valuer has been appointed, such external valuer's valuations will be relied on.

The liabilities of the Fund shall be deemed to include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable administrative expenses;
- (iv) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- (v) An appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Fund, and other reserves, if any, authorised and approved by the Fund; and
- (vi) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares of the Fund. In determining the amount of such liabilities, the Fund shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise inter alia the fees and expenses detailed in Section "Fees and Expenses" below.

The Net Asset Value per Share for each Sub-Fund is determined by Citibank Europe plc, Luxembourg Branch acting as Administrative Agent and normally made available at the registered office of the Fund one (1) Business Day after the relevant Valuation Day unless otherwise specified in the Sub-Funds Appendices below.

Each Sub-Fund shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable are accrued as of the relevant ex-dividend dates.

## **17. SUSPENSION OF THE NET ASSET VALUE OF SHARES**

In each Sub-Fund, the Fund may temporarily suspend the determination of the Net Asset Value per Share and in consequence the issue, redemption and conversion of Shares in any of the following events:

- When one or more Regulated Markets, stock exchanges or other regulated markets, which provide the basis for valuing a substantial portion of the assets of the Fund attributable to such Sub-Fund, or when one or more Regulated Markets, stock exchanges or other regulated markets in the currency in which a substantial portion of the assets of the Fund attributable to such Sub-Fund is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Fund, disposal or valuation of the assets of the Fund attributable to such Sub-Fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- In the case of a breakdown in the normal means of communication used for the valuation of any investment of the Fund attributable to such Sub-Fund, or if, for any exceptional circumstances, the value of any asset of the Fund attributable to such Sub-Fund may not be determined as rapidly and accurately as required;
- If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund's assets attributable to such Sub-Fund cannot be effected at normal rates of exchange;
- During any period when the calculation of the net asset value per unit or share of a substantial part of UCIs a Sub-Fund is investing in, is suspended and this suspension has a material impact on the Net Asset Value per Share of the relevant Sub-Fund;
- Upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding-up of the Fund.

Any such suspension will be published in the manner described in the Offering Document and notified to those Shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Sub-fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-Fund.

Any request for subscription, redemption and conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-Fund.

## **18. FEES AND EXPENSES**

### **18.1 General**

The Fund shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund which shall include but not be limited to:

- Fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the AIFM, the Depositary, the Paying Agent, the Registrar and Transfer Agent, the Administrative Agent, and the Domiciliary and Corporate Agent as applicable;
- All taxes which may be due on the assets and the income of the Sub-Fund (in particular, the “taxe d’abonnement” and any stamp duties payable);

- Usual banking fees due on transactions involving securities held in the Sub-Fund;
- Legal expenses reasonably incurred by the AIFM, the Depositary, the Paying Agent, the Registrar and Transfer Agent, the Administrative Agent, and the Domiciliary and Corporate Agent while acting in the interests of the Shareholders of such Sub-Fund;
- The cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Fund and/or the agents of the Fund for violation of any law or failure to comply with their respective obligations under the Articles of Incorporation or otherwise with respect to the Fund;
- The costs and expenses of the preparation and printing of written confirmations of Shares; the costs and expenses of preparing and/or filing and printing of all other documents concerning the Fund, including registration statements and Offering Documents and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the Shares, and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding five (5) years.

#### 18.2 Formation and launching expenses of the Fund

The costs and expenses of the formation of the Fund and the initial issue of its Shares estimated at Euro 13,000 are borne by the Fund and amortised over a period not exceeding five (5) years from the formation of the Fund and in such amounts in each year as determined by the Fund on an equitable basis.

#### 18.3 Formation and launching expenses of additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written off over a period not exceeding five (5) years against the assets of such Sub-Fund only and in such amounts each year as determined by the Fund on an equitable basis. The newly created Sub-Fund shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

#### 18.4 Management Fee

Unless otherwise provided in the Appendices below, the AIFM is entitled to a management fee out of the gross assets of the relevant Sub-Fund payable at the end of each quarter. Such fee is described in detail for each Sub-Fund in the relevant section in the Appendices below.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the AIFM will be borne by the relevant Sub-Fund.

#### 18.5 Fees of the Administrative Agent and Registrar and Transfer Agent

Citibank Europe plc, Luxembourg Branch is entitled to fees out of the net assets of each Sub-Fund in conformity with normal market practice:

Administrative agency: 0.050% per annum maximum;

Registrar and Transfer agency: maintenance fee of Euro 180 per share class per month; shareholder servicing fee of Euro 110 per shareholder account per annum; transaction fee of Euro 30 maximum.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by Citibank Europe plc, Luxembourg Branch will be borne by the relevant Sub-Fund.

#### 18.6 Fees of the Paying Agent and Depositary

The Paying Agent shall be entitled to receive out of the net assets of each Sub-Fund fees in conformity with normal market practice.

The fees due to the Depositary may amount to up to 0.025% per year, calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month. Notwithstanding such fees, the Depositary will receive customary banking fees for transactions.

All or part of the fees due to the Depositary may be subject to Luxembourg VAT at the applicable rate.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the Depositary and Paying Agent and any custody charges of banks and financial institutions to which custody of assets of a Sub-Fund is entrusted, will be borne by the relevant Sub-Fund.

#### 18.7 Fees of the Domiciliary and Corporate Agent

The Domiciliary and Corporate Agent is entitled to fees out of the assets of the Fund in conformity with normal market practice:

Euro 2,500 per annum per Sub-Fund

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Domiciliary and Corporate Agent will be borne by the Fund.

### 19. AUDITORS

The Fund has appointed KPMG Luxembourg, Société coopérative, 39, Avenue John F. Kennedy, L-1855 Luxembourg as independent auditor of the Fund.

The independent auditor verifies that the annual accounts of the Fund present a true and fair view of the Fund's financial situation and that the management report is consistent with the accounts.

20. **DIVIDENDS**

Where specified for specific Categories as disclosed under the Appendices below, the Board of Directors of the Fund may declare annual or other interim distributions out from the investment income gains and realised capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount as required by Luxembourg law.

Where a distribution is made and not claimed within five (5) years from its due date, it will lapse and will revert to the relevant Sub-Fund.

21. **LIQUIDATION – TERMINATION AND AMALGAMATION OF SUB-FUNDS**

21.1 **Dissolution and Liquidation of the Fund**

The Fund and each of the Sub-Funds have been established for an unlimited period of time. The Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements as described in the Articles of Incorporation.

Whenever the share capital falls below two-thirds of the minimum capital indicated, the question of the dissolution of the Fund shall be referred to the general meeting by the Board of Directors of the Fund. The general meeting, for which no quorum shall be required, shall decide by simple majority of the votes of the Shares represented at the meeting.

The question of the dissolution of the Fund shall further be referred to the general meeting whenever the share capital falls below one-fourth of the minimum capital; in such an event, the general meeting shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one-fourth of the votes of the Shares represented at the meeting. The meeting 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-fourth of the legal minimum, as the case may be.

The 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.

The event leading to dissolution of the Fund must be announced by a notice published in the Mémorial. In addition, the event leading to dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Shareholders in such other manner as may be deemed appropriate by the Board of Directors of the Fund.

The general meeting or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Class(es), Category(ies) and/or Sub-Fund(s) in the best interest of the Shareholders thereof, and upon instructions given by the general meeting, the Depositary will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Shareholders of the relevant Class(es), Category(ies) and/or Sub-Fund(s) in proportion to the number of

Shares held by them. The general meeting may distribute the assets of the Fund or of the relevant Class(es), Category(ies) and/or Sub-Funds wholly or partly in kind to any Shareholder who agrees in compliance with the conditions set forth by the general meeting (including, without limitation, delivery of independent valuation report issued by the auditors of the Fund) and the principle of equal treatment of Shareholders.

At the close of liquidation of the Fund, the proceeds thereof corresponding to Shares not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed. As far as the liquidation of any Class, Category and/or Sub-Fund is concerned, the proceeds thereof corresponding to Shares not surrendered for repayment at the close of liquidation will be kept in safe custody with the Depositary during a period not exceeding nine (9) months as from the date of the related decision; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*.

Shares may be redeemed, provided that Shareholders are treated equally.

#### 21.2 Termination of a Class, Category and/or Sub-Fund

In the event that for any reason whatsoever, the value of assets of a Class, Category or Sub-Fund should fall down to or should not reach such an amount considered by the Board of Directors of the Fund as the minimum level under which the Class, Category or Sub-Fund may no longer operate in an economic efficient way, or in the event that a significant change in the economic or political situation impacting such Class, Category or Sub-Fund should have negative consequences on the investments of such Class, Category or Sub-Fund or when the range of products offered to clients is rationalised, the Board of Directors of the Fund may decide to conduct a compulsory redemption operation on all Shares of a Class, Category or Sub-Fund, at the Net Asset Value per Share applicable on the Valuation Day corresponding to the date on which the decision shall come into effect (including effective prices and expenses incurred for the realisation of investments). The Fund shall send a notice to the Shareholders of the relevant Class, Category or Sub-Fund, before the effective date of compulsory redemption. Such notice shall indicate the reasons for such redemption as well as the procedures to be enforced. Unless otherwise stated by the Board of Directors of the Fund, Shareholders of such Class, Category or Sub-Fund may not continue to apply for the redemption or the conversion of their Shares while awaiting for the enforcement of the decision to liquidate. If the Board of Directors authorises the redemption or conversion of Shares, such redemption and conversion operations shall be carried out according to the clauses provided by the Board of Directors of the Fund in the sales documents of Shares, free of charge (but including actual prices and expenses incurred for the realisation of the investments, closing expenses and non paid-off setting-up expenses) until the effective date of the compulsory redemption.

#### 21.3 Amalgamation or Transfer of Class, Category and/or Sub-Fund

Under the same circumstances as provided in the first paragraph above in relation to the liquidation of Class(es), Category(ies) and/or Sub-Funds, the Board of Directors of the Fund may decide to amalgamate a Class, Category and/or Sub-Fund into another Class, Category and/or Sub-Fund. Shareholders will be informed of such decision by a notice sent to the Shareholders at their address indicated in the register of Shareholders or in such manner as may be deemed appropriate by the Board of Directors of the Fund and, in addition, the publication will contain information in relation to the new Class, Category and/or Sub-Fund. Such publication will be made at least one (1) month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into the new Class, Category and/or Sub-Fund becomes effective.

The Board of Directors may decide to allocate the assets of any Class, Category and/or Sub-Fund to those of another UCI submitted to the Law of 2007 or to another sub-fund within such other UCI (such other UCI or sub-fund within such other UCI being the "new Fund") (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders) where the value of the net assets of any Class, Category and/or Sub-Fund has decreased to or has not reached an amount determined by the Board of Directors of the Fund to be the minimum level for the Class, Category and/or Sub-Fund to be operated in an economically efficient manner, or in case of a significant change in the economic or political situation or as a matter of rationalisation. Such decision will be announced by a notice sent to the Shareholders at their address indicated in the register of Shareholders or in such manner as may be deemed appropriate by the Board of Directors of the Fund (and, in addition, the notice will contain information in relation to the new Fund), one (1) month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, during such period. After such period, Shareholders having not requested the redemption of their Shares will be bound by the decision of the Board of Directors of the Fund, provided that only the Shareholders having expressly consented there to may be transferred to a foreign UCI applicable law and jurisdiction.

## **22. GOVERNING LANGUAGE**

English shall be the governing language of the Offering Document. The English version of the Offering Document is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

## **23. RIGHTS OF THE SHAREHOLDERS AND FAIR TREATMENT**

The rights of the Shareholders vis-à-vis the Fund are in principle not affected by the appointment of an external AIFM or the possibility that the AIFM may delegate some of its functions to another entity.

Except for claims based on non-contractual liability, as well as claims against the Depositary based on the Law of 2013, the Shareholders do not have any direct rights against the AIFM or any service provider appointed by the AIFM in relation to the Fund, or the independent auditor.

All Shares held in the Fund give rise to the same rights and obligations. No investor benefits from a preferential treatment of any kind.

## **24. APPLICABLE LAW AND JURISDICTION**

Any dispute arising between the Shareholders, the Fund, AIFM, the Registrar and Transfer Agent, the Administrative Agent, the Domiciliary and Corporate Agent, the Paying Agent and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

The Luxembourg District Court is the place of performance for all legal disputes between the Shareholders and the Fund. Luxembourg law applies.

Notwithstanding the foregoing, the Fund, the AIFM, the Registrar and Transfer Agent, the Administrative Agent, the Domiciliary and Corporate Agent, the Paying Agent and the Depositary may subject themselves, (i) to the jurisdiction of the courts of the countries in which the Shares of the Fund are offered and sold with respect to claims by investors resident in such countries, and (ii) with respect to matters relating to

subscription, redemption and conversion by Shareholders resident in such countries, to the laws of such countries.

The claims of the Shareholders against the AIFM, Registrar and Transfer Agent, the Administrative Agent, the Domiciliary and Corporate Agent, the Paying Agent and the Depositary will lapse five (5) years after the date of the event which gave rise to such claims.

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

## **25. RECOGNITION AND ENFORCEMENT OF ANY JUDGMENTS**

The recognition and enforcement of any judgments against the Fund, the AIFM, the Registrar and Transfer Agent, the Administrative Agent, the Domiciliary and Corporate Agent, the Paying Agent or the Depositary delivered by a Luxembourg court does not require further legal instruments, since the respective registered office of the AIFM and the Depositary is located in Luxembourg.

Should a non-Luxembourg court deliver a judgment against the Fund, the AIFM, the Registrar and Transfer Agent, the Administrative Agent, the Domiciliary and Corporate Agent, the Paying Agent or the Depositary on the basis of local applicable law, the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, the Lugano Convention of 30 October 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or Luxembourg private international law, as the case may be, is applicable.

## **26. TAX STATUS IN LUXEMBOURG**

### **26.1 Withholding Tax**

Any distribution by the Sub-Funds, redemption or sale of Shares can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law.

### **26.2 Taxes on Income and Capital Gains**

A Shareholder who derives income from such Shares, from the Sub-Funds or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or
- (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg to which the Shares in the Sub-Funds are attributable.

### **26.3 Net Wealth Tax**

Luxembourg net wealth tax will not be levied on Shares held by a Shareholder unless:

- (i) such Shareholder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or
- (ii) such Share is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg to which the Shares in the Fund are attributable.

As regards individuals, the Luxembourg law of 23<sup>rd</sup> December 2005 has abrogated the net wealth tax starting with the year 2006.

#### 26.4 Inheritance and Gift Tax

Where the Shares are transferred for no consideration:

- (i) no Luxembourg inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased Shareholder was not a resident of Luxembourg for inheritance tax purposes;
- (ii) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary.

#### 26.5 Common Reporting Standard

On 9 December 2014, the Council of the EU adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation. The adoption of the aforementioned directive, and of the Luxembourg bill of law for transposition of such directive (the “CRS Law”), together with the signature of the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information (“MCAA”) on 29 October 2014 implement the OECD Common Reporting Standard (the “CRS”) from 1st January 2016.

Under the terms of the CRS Law the Fund is likely to be considered as a Luxembourg Reporting Financial Institution (“FI”).

As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the LTA personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Shareholders as per the CRS Law (the “Reportable Persons”) and (ii) Controlling Persons of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “Information”), will include Personal Data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each prospective investor and each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. Shareholders also undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included Personal Data be not accurate. Shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

#### 26.6 Taxation of the Fund – *Taxe d'abonnement*

The Fund is liable in Luxembourg to a tax (“*Taxe d'abonnement*”) of 0.01% per year of its net asset value, such tax being 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. However, the portion of assets which are invested in units or shares of UCIs shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

**Prospective investors should inform themselves of, and where appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls and being Prohibited Persons) applicable to the subscription, purchase, holding, conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Fund in Luxembourg.**

#### 27. ACCOUNTING YEAR

The accounting period of the Fund will begin on 1<sup>st</sup> January and end on 31<sup>st</sup> December in each year.

The accounts of the Fund will be audited annually by an auditor appointed from time to time by the general meeting of Shareholders.

#### 28. ANNUAL GENERAL MEETING

The annual general meeting of Shareholders is held each year at the registered office of the Fund or at any other address in Luxembourg specified in the convening notice. The annual general meeting of Shareholders will be held on the last Monday in June at 11.00 a.m.. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the following Business Day. The first annual general meeting of Shareholders was held in 2012.

As all the Shares are issued in registered form only, the convening notices will be sent to the Shareholders at the address given in the register of Shareholders at least eight (8) days before the date of the meeting. These notices will set out the date and time of the meeting, the agenda, the quorum and the majority requirements, and the conditions of admission in accordance with the provisions of Luxembourg laws.

In accordance with the conditions laid down in the Luxembourg laws and regulations, the convening notice to any general meeting of shareholders of the Fund may provide that the quorum and the majority requirements applicable to the general meeting shall be

determined according to the Shares issued and outstanding at a certain date and a certain time prior to the date set for the general meeting (the “Record Date”). The right of a Shareholder to attend a meeting and to exercise the voting rights attaching to its Shares is determined in accordance with the Shares held by this Shareholder at the Record Date.

## **29. SHAREHOLDERS' INFORMATION**

Audited annual reports will be made available to the Shareholders at no cost to them at the offices of the Fund, the Depositary and any paying agent.

Any other financial information to be published concerning the Fund, including the Net Asset Value, the issue, conversion and redemption price of the Shares for each Sub-Fund and any suspension of such valuation, will be made available at the offices of the Fund, the Depositary and any paying agent.

To the extent required by Luxembourg law or decided by the Board of Directors of the Fund, all notices to Shareholders will be sent to Shareholders at their address indicated in the register of Shareholders, sent to the Shareholders via e-mail, published on the website of the Fund, only if necessary, in one or more newspapers and/or in the Mémorial.

## **30. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection during normal business hours at the registered office of the Fund:

- 1) Offering Document;
- 2) The Articles of Incorporation of the Fund;
- 3) The latest annual reports of the Fund;
- 4) The Domiciliation Agreement;
- 5) The Depositary Bank Services Agreement;
- 6) The Fund Administration Services Agreement;
- 7) The Alternative Investment Fund Management Agreement between the Fund and the AIFM.

## **31. AMENDMENT PROCEDURE**

The Articles of Incorporation may be amended from time to time in accordance with the quorum and majority requirements laid down by Law of 1915 and the Articles of Incorporation as further described in Section “the Fund” of the Offering Document.

The Offering Document, including the investment policy and investment strategy of the Sub-Funds, may be amended from time to time by the Board of Directors of the Fund with the prior approval of the CSSF in accordance with Luxembourg law and regulations.

In the event of an amendment of the Offering Document, Shareholders in the Sub-Fund(s) concerned will be notified accordingly by way of a notice and, should the amendment be considered by the CSSF as material, they will have the right to redeem their Shares free of charge within the period of time specified in the notice.

## **32. OTHER DISCLOSURES**

### **32.1 Conflicts of Interest**

The AIFM has put in place efficient organizational and administrative arrangements to identify, prevent, manage and monitor conflicts of interest. Where such arrangements are not sufficient to ensure, with reasonable confidence, that risks of damage to Shareholders' interests will be prevented, the Shareholders will be informed about the general nature or sources of such conflicts of interest appropriately (e.g. in the notes to the financial statements or reporting of the Fund or on the internet at [www.andbank.lu](http://www.andbank.lu)).

No contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Fund is interested in, or is a director, associate, officer or employee of, such other company or firm. Any Director or officer of the Fund who serves as a director, officer or employee of any company or firm with which the Fund shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any Director or officer of the Fund may have in any transaction of the Fund an interest opposite to the interests of the Fund, such director or officer shall make known to the Board of Directors of the Fund such opposite interest and shall not consider or vote on any such transaction, and such transaction and such Director's or officer's interest therein shall be reported to the next succeeding general meeting of Shareholders.

The term "opposite interest", as used in the preceding sentence, shall not include any relationship with or without interest in any matter, position or transaction involving any affiliated or associated company, or such other person, company or entity as may from time to time be determined by the Board of Directors of the Fund in its discretion.

### **32.2 Best Execution**

The AIFM acts in the best interests of the Fund when executing investment decisions. For that purpose it takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution). Where the portfolio management is delegated, the appointed portfolio manager will be contractually obliged to apply equivalent best execution principles, if he is not already subject to best execution laws and regulations. The best execution policy will be available for investors at the registered office of the Fund and on the internet at [www.andbank.lu](http://www.andbank.lu).

### **32.3 Voting rights policy**

It is the policy of the AIFM to vote shares held in the Fund's portfolios in a prudent and diligent manner, based exclusively on the AIFM's reasonable judgement of what will best serve the financial interests of the Fund's Shareholders, as the latter are the beneficial owners of such shares. In addition, and so far as is practicable, it is the AIFM's policy to vote at all of the meetings called by the companies in which the AIFM is invested on behalf of the Fund ("target companies"). However, in recognition of the AIFM's limited ability to exercise significant influence on management decisions in those circumstances where its shareholding is not material, it is the AIFM's policy not to vote at the meetings of target companies if the aggregate shareholding amounts to less than 0.5% of all outstanding shares. Finally, it should be noted that the AIFM scrutinises

every meeting of target companies individually, voting for or against each resolution, or actively withholding its vote, on a case-by-case basis.

A description of the voting strategies is available to investors at the registered office of the Fund and on the internet at [www.andbank.lu](http://www.andbank.lu). Details on actions taken on the basis of such strategies are available to investors on request.

#### 32.4 Remuneration

The AIFM has established a remuneration policy which shall be applicable to all identified staff members as specified in the AIFM Regulation and the applicable ESMA Guidelines. Any relevant disclosures shall be made in the financial statements in accordance with the Law of 2013, if applicable.

#### 32.5 Inducements

Each Sub-Fund bears its own transaction fees. Transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Fund to which they are attributable. The AIFM may effect transactions or arrange for the effecting of transactions through brokers with whom it has “soft commission” arrangements. The benefits provided under such arrangements will assist the AIFM in the provision of investment services to the Fund and enhance the quality of such services. Specifically, the AIFM may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as the broker agrees to provide “best execution” to the Fund and, in the good faith judgement of the AIFM, the amount of the commissions is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research services, quotation services, news wire services, portfolio and trade analysis software systems, special execution and clearance capabilities, may be used by the AIFM in connection with transactions in which the Fund will not participate. The soft commission arrangements are subject to the following conditions: (i) the AIFM will act at all times in the best interests of the Fund when entering into soft commission arrangements; (ii) the services provided will be directly to the AIFM; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the AIFM to brokers that are entities and not to individuals; and (iv) the AIFM will provide reports to the Fund with respect to soft commission arrangements including the nature of the services it receives.

In addition to the above, essential terms of any arrangements relating to fees, commissions or non-monetary benefits paid or provided to or by a third party, which are designed to enhance the quality of the relevant service and do not impair the AIFM’s duty to act in the best interests of the Fund will be disclosed to investors on request subject to reference to their transaction.

#### 32.6 Others

Furthermore the following disclosures will be made in the annual report or in another appropriate periodic reporting, and where necessary on an ad hoc basis:

- where available, the historical performance of each Sub-Fund;
- changes to the Depositary’s liability;
- the loss of a financial instrument;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of each Sub-Fund as well as any right of re-use of collateral or any guarantee granted under the leveraging arrangement;
- the total amount of leverage employed by each Sub-Fund;

- any new arrangements for managing the liquidity of each Sub-Fund;
- the current risk profile of each Sub-Fund and the risk management systems employed by the AIFM to manage those risks;
- any changes to risk management systems employed by the AIFM in accordance with point (c) of Article 21(4) of the Law of 2013 as well as its anticipated impact on each Sub-Fund and their Shareholders.

## **APPENDIX I – LIST OF SUB-FUNDS**

The Sub-Funds launched are the following:

<b>SUB-FUND 1</b>	<b>ACTIVA Global Defensive Patrimony</b>	<b>Class A: 23 October 2012</b>
		<b>Class B: to be determined</b>
		<b>Class C: to be determined</b>

## **APPENDIX II – INVESTMENT RESTRICTIONS**

### **A - GENERAL**

The Sub-Funds, which belong to this category of investments, are allowed to invest within the general risk spreading rules specified below.

Within the following paragraphs "Sub-Fund's Asset" or "assets" shall be interpreted as the sum of net assets plus any amount borrowed for the purpose of investments as the case may be.

### **B - RISK SPREADING RULES**

The investments of the Fund shall be subject to the following guidelines:

#### **1. Investments in Transferable Securities**

Unless otherwise indicated, the Sub-Funds are allowed to enter in securities transactions within the limits specified below.

Under the standard investment rules, the Fund may not as a rule invest more than 30% of each Sub-Fund's Assets in securities of the same type issued by the same body.

The risk spreading rules set forth in this section do not apply to securities issued or guaranteed by an OECD Member State or by its territorial authorities or by supranational bodies or organisations of an EU, regional or world-wide nature.

#### **2. Use of derivative financial instruments**

Unless otherwise indicated in the Appendix below for each relevant Sub-Fund, the Sub-Funds are allowed to use derivative financial instruments.

Derivative financial instruments may include, but not limited to, options, forward or futures contracts on financial instruments and options on such contracts, together with over-the-counter swaps' contracts for all types of financial instruments including contracts for difference.

The Fund may in addition make use of techniques involving securities lending and sale and repurchase agreements (repos).

Derivative financial instruments must be dealt in on an organised market or on an over-the-counter (OTC) basis with first-class institutions specialising in this type of transactions. The risk exposure of a Sub-Fund to counterparty of OTC derivative transactions will be assessed case by case and limits may be defined in the Sub-Funds Appendices below.

The maximum level of leverage that the Sub-Funds may use is indicated for each Sub-Fund in the relevant Sub-Fund Appendix below.

Should the Fund decide to use these derivative financial instruments or techniques for a given Sub-Fund, this possibility and the related limits will then be indicated in the relevant Appendix below.

#### **3. Investment in other UCITS/UCIs (Target funds)**

Unless otherwise indicated, the Sub-Funds are allowed to invest in other UCIs in accordance with the principle of risk diversification. Consequently the Fund on behalf of

each Sub-Fund may not as a rule invest more than 30% of its assets in the shares/units of the same investee fund.

For the purposes of applying this limit, each sub-fund of a target umbrella fund is to be considered as a separate target fund, provided that the principle of segregation of liabilities towards third parties between the various sub-funds is in force.

These risk spreading rules do not apply to the acquisition of the shares/units of UCIs of the open-ended type where the target funds are subject to risk spreading obligations comparable to those provided for funds subject to the Law of 2007 and/or where such target funds are subject in their home State to on-going supervision by a supervisory authority empowered by law for the purpose of ensuring investor protection.

#### **4. Risk spreading rules applicable to securities short-selling transactions**

Provided it is expressly indicated in the Appendix below for each relevant Sub-Fund, the Sub-Funds are allowed to enter in securities short-selling transactions.

The practice of short selling may not result in the Fund holding for each Sub-Fund a short position in transferable securities which represents more than 30% of securities of the same type issued by the same body.

#### **5. Restrictions applicable to borrowing transactions**

Provided it is expressly indicated in the Appendix below for each relevant Sub-Fund, the Fund may borrow, on behalf of each Sub-Fund and on a permanent basis, for investment purposes from first-class institutions specialising in this type of transactions.

The maximum level of leverage that the Sub-Funds may use is indicated for each Sub-Fund in the relevant Sub-Fund Appendix below.

Nevertheless, for Sub-Funds which adopt a strategy involving a high degree of correlation between long and short positions the Fund may in principle borrow up to the equivalent of 400% of the related Sub-Fund's net assets.

Should the Fund decide to borrow for a given Sub-Fund, this possibility and the related limits will then be indicated in the relevant Appendix below.

#### **6. Cash and other Money Market Instruments**

Unless otherwise indicated in the Appendices below, the Sub-Funds are allowed, for an undetermined period of time, to hold cash and enter into other money market instruments investments.

#### **7. Investment in other Sub-Funds of the Fund**

Each Sub-Fund may subscribe, acquire and/or hold Shares issued or to be issued by one or more Sub-Funds of the Fund 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
- Voting rights attached to the relevant Shares are suspended for as long as they are held by the relevant Sub-Fund; and
- In any event, for as long as these Shares 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 purpose of verifying the minimum capital imposed by the Law of 2007.

## **8. Restrictions applicable to other assets than the assets described above**

Investment restrictions for other assets than those described above such as but not limited to real estate properties, commodities and private equity are determined for each Sub-Fund in the relevant Appendices below.

## **C - FINAL PROVISIONS**

### **Breach of investment limits not due to investment decisions**

Where the percentage limits set out above are exceeded for reasons other than an investment decision (market fluctuations, redemptions), the Fund must seek as its first priority to rectify the situation taking the interests of investors and Shareholders into account.

### **Notwithstanding the above provisions:**

Each of the Sub-Funds needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of such Sub-Fund's portfolio concerned. Unless otherwise expressed in the Appendices below, each Sub-Fund has one year from its date of authorization to achieve compliance with paragraphs 1 and 3.

## **ACTIVA SICAV – ACTIVA GLOBAL DEFENSIVE PATRIMONY**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to achieve capital appreciation by the active management of a diversified non-indexed portfolio of traditional asset classes: European and international bonds and debt securities, and equity and equity-linked instruments of all types.

The Sub-Fund will have as a performance objective to outperform a reference composite benchmark: MSCI AC World Index converted into EUR for 20% and WGBI All Maturities being SSGAWGBI ID (SSGA-World Govt Bond Index) EUR for 80%. The Sub-Fund will aim to outperform its benchmark with an investment horizon of 3 years.

There is however no guarantee that these objectives will be achieved.

Exposure to the target asset classes will depend on the outlook of the financial markets and AIFM views. The allocation of the assets between the target asset classes will be based on fundamental analysis of the macroeconomic environment worldwide and the future trends.

With the aim of protection of capital and limitation of the exposition to market fluctuations, the proportion of assets invested in European and international bonds and debt securities and in monetary assets will represent at least 50% of the net assets. Under normal circumstances and on a regular basis, this asset class and monetary assets class will represent around 80% of the net assets and the equity and equity-linked instruments asset class around 20% of the net assets.

It is intended to give the AIFM maximum flexibility to invest the assets of the Sub-Fund to achieve the highest possible return to the investors, in light of the Sub-Fund's investment objectives and policy and within the limits set by in the Appendix II.

The choice of investments will neither be limited by geographical area nor economic sector. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single economic sector. The universe of investments of the Sub-Fund is not restricted to those covered by its reference composite benchmark.

In the best interest of the investors, and notably for defensive purposes, the Sub-Fund may also hold, up to 100% of its net assets, liquidities such as (but not limited to) cash deposits, money market funds and Money Market Instruments.

The Sub-Fund may invest tactically in foreign currencies, mainly in USD.

For hedging and for investment purposes, the Sub-Fund may use all types of financial derivative instruments products traded on a Regulated Market and/or over the counter (OTC), provided they are contracted with first class financial institutions specialized in this type of transactions. In particular, the Sub-Fund may take exposure through any financial derivative instrument, such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on currencies (including non delivery forwards), interest rates, Transferable Securities, a diversified basket of Transferable Securities, financial indices (including indices giving an exposure to commodities or precious metals or volatility indices) and UCIs/UCITS, at all times within the limits specified in the Appendix II.

The Sub-Fund may also use financial derivative instruments such as currency futures, options and forwards in order to hedge against currency fluctuation risks associated with Classes of Shares denominated in a currency other than the Reference Currency of the Sub-Fund. While it

is not the intention of the Sub-Fund, temporary over-hedging or under-hedging of a Class may arise due to factors outside the control of the Sub-Fund. However the relevant hedged Class will be re-weighted on at least a monthly basis. In no event will over-hedged positions be carried forward.

Borrowings may not in principle exceed 100% of the Sub-Fund's net assets.

The Sub-Fund shall not invest more than 10% of its assets in units or shares of other UCIs or other UCITS.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Sub-Fund is 200% in accordance with the commitment method and 300 % in accordance with the gross method of the total net assets.

### **Risk profile**

The value of the investors' investments in the Sub-Fund may fall as well as rise and investors may get back less than the amount originally invested.

In addition to the risk factors disclosed in Section "Risk Considerations", the following risk factors affect the performance of the Sub-Fund to an increased extent:

The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

The value of debt securities may change significantly depending on economic and interest rates conditions as well as the credit worthiness of the issuers. Issuers of debt securities may fail to meet payments obligations or the credit rating of debt securities may be downgraded.

Movements in currency exchange rates can adversely affect the return of the investors' investment.

The value of financial derivative instruments can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the financial derivative instrument and therefore, investments in such instruments may result in losses in excess of the amount invested by the Sub-Fund.

### **Typical Investor's Profile**

This Sub-Fund is a balanced Sub-Fund which invests in both equities and bonds. Therefore the Sub-Fund may be suitable for investors looking for a long term capital growth but are prepared to take a medium level of risk in order to achieve this.

Because of the volatility associated with equities, investors should have an investment horizon of at least 3 to 4 years.

### **Investment Advisor**

The AIFM has appointed Greenwich Advisory Investments, SL whose registered office is at C/Almagro 26, 28010 Madrid, Spain, as Investment Advisor of the Sub-Fund.

### **Performance Fee**

The Performance Fee is calculated in respect of each accounting period (the "**Performance Period**"), i.e. from 1<sup>st</sup> January to 31<sup>st</sup> December each year. The first Performance Period for the Sub-Fund begins on the date on which the Sub-Fund is launched and ends on the last calendar

day of the same year.

The Performance Fee is calculated and accrued at each Net Asset Value calculation on the basis of the net assets determined on each Valuation Day after deducting all expenses, the management fee (but not the Performance Fee) and adjusting for subscriptions, redemptions and conversions (if applicable) on the relevant Valuation Day so that these will not affect the Performance Fee payable. Should the last Luxembourg Business Day of the relevant Performance Period not be a Valuation Day, the Fund will calculate a special Net Asset Value on that Luxembourg Business Day in accordance with the provisions described under Section "Net Asset Value" for the sole purposes of calculating and accruing the Performance Fee for the relevant Performance Period. No requests for subscriptions, redemptions or conversions will be accepted on the basis of the special Net Asset Value, except if the last Luxembourg Business Day of the relevant Performance Period is a Valuation Day.

The Performance Fee is payable annually in arrears as at the end of an annual Performance Period. 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 paid at the end of the period even if provision for Performance Fees is no longer made at that date.

The Performance Fee in respect of any Class amounts to a percentage, as defined below.

<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	On each Business Day.
<b>Calculation Day</b>	The next Business Day(s) following the Valuation Day.
<b>Classes of Shares</b>	Class A: Classic Class B: Classic II Euro Class C: USD hedged
<b>Categories of Shares</b>	Classes A, B and C: accumulation of income
<b>ISIN Code</b>	Class A: LU0829544732 Class B: LU1107718352 Class C: LU1107718600
<b>Initial Subscription Day</b>	Class A: 23 October 2012 Class B: to be determined Class C: to be determined Payment of subscription is to be made on the same day.
<b>Initial Price</b>	Class A: Euro 100 Class B: Euro 100 Class C: USD 100
<b>Minimum Initial Investment</b>	Classes A and B: Euro 125.000 Class C: equivalent in USD of Euro 125.000
<b>Subscription, redemption and conversion deadline and payment date</b>	12 p.m. (noon) Luxembourg time one (1) Business Day prior to the applicable Valuation Day. Applications received by the Registrar and Transfer Agent after this time will be deemed to have been received on the following Business Day. Payment of the subscription and redemption amounts will be made not later than (3) Business Days after the Valuation Day.
<b>Subscription Commission</b>	up to 2% maximum of the subscribed amount, in favour of the intermediaries involved in the offering of Shares. The Subscription Commission may be applied or may be waived, in whole or in part, at the discretion of the relevant intermediary or the Fund's Board of Directors.

	The Subscription Commission (if any) will be paid to intermediaries involved in the offering of Shares.
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Management fee</b>	Classes A and C: annual fee of 1.35% out of the gross assets under management attributable to each such Class. It shall be accrued on a weekly basis in the Net Asset Value. Class B: annual fee of 1.50% out of the gross assets under management attributable to this Class. It shall be accrued on a weekly basis in the Net Asset Value. Part of this management fee may be retroceded to the various financial intermediaries involved in the placement of the Fund's Shares or to the Investment Advisor.
<b>Performance Fee</b>	10% The Performance Fee in respect of any Class will be paid if the Net Asset Value per Share as at the end of Performance Period exceeds the Net Asset Value per Share as at the end of the immediately preceding Performance Period. For the first Performance Period, the Net Asset Value per Share as at the end of the immediately preceding Performance Period should be understood as at the Initial Price of the Sub-Fund. All or part of this Performance Fee may be retroceded to the Investment Advisor.