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d'argument de publicité

Luxembourg, le 2022-08-08

Commission de Surveillance du Secteur Financier



**OPTIMIZE IP SICAV**

Société d'Investissement à Capital Variable  
Luxembourg

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**Sub-Fund "OPTIMIZE IP SICAV – Optimize Global Bond Fund"**

**Sub-Fund "OPTIMIZE IP SICAV – Optimize Europe Value Fund"**

**Sub-Fund "OPTIMIZE IP SICAV – Optimize Global Flexible Fund"**

**Sub-Fund "OPTIMIZE IP SICAV – Optimize Invest Selection"**

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## INTRODUCTION

**OPTIMIZE IP SICAV** (the "Fund") is a Luxembourg open-ended investment company established as a *société d'investissement à capital variable* (investment company with variable capital) formed as a *société anonyme* (public limited company) in accordance with the Luxembourg law of 17 December 2010 concerning undertakings for collective investment as may be amended from time to time (the "Law of 2010").

The Fund is subject, in particular, to the provisions of Part I of the Law of 2010 which relate specifically to undertakings for collective investment in transferable securities as defined by the European Directive of 13 July 2009 (2009/65/EC) as may be amended from time to time (the "UCITS Directive").

The Fund is registered on the official list of undertakings for collective investment pursuant to the Law of 2010. However, such registration shall not, under any circumstances, be described in any way whatsoever as a positive assessment made by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* (the "CSSF"), of the quality of the shares offered for sale by the Fund (the "Shares").

The Fund is offering Shares of one or several separate sub-funds (individually a "Sub-Fund", collectively the "Sub-Funds") on the basis of the information contained in this prospectus (the "Prospectus") and in the documents referred to herein. No person is authorised to give any information nor to make any representations concerning the Fund other than as contained in the Prospectus and in 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 and representations contained in the Prospectus shall be solely at the risk of the purchaser. Neither the delivery of the Prospectus nor the offer, sale or issue of Shares shall under any circumstances constitute a representation that the information given in the Prospectus is correct as at any time subsequent to the date hereof. An Addendum or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes or categories which relate to several separate Sub-Funds. For each Sub-Fund, the board of directors of the Fund (the "Board of Directors") may decide at any time to issue different classes of Shares (individually a "Class", collectively the "Classes") or categories of Shares (individually a "Category", collectively the "Categories") whose assets will be invested jointly according to the Sub-Fund's specific investment policy, but with specific features applicable to each Class or Category. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value per Share (the "Net Asset Value" or "NAV") of the relevant Class, Category or Sub-Fund, as defined in the Articles of Incorporation of the Fund (the "Articles").

In accordance with the Articles, the Board of Directors may issue an unlimited number of Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective 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 best suits their specific risk and return expectations as well as their diversification needs.

The Fund may be comprised of multiple Sub-Funds, each Sub-Fund corresponding to a distinct part of the assets and liabilities of the Fund.

The Fund currently offers four Sub-Funds:

- **OPTIMIZE IP SICAV – Optimize Global Bond Fund**
- **OPTIMIZE IP SICAV – Optimize Europe Value Fund**
- **OPTIMIZE IP SICAV – Optimize Global Flexible Fund**
- **OPTIMIZE IP SICAV – Optimize Invest Selection**

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly. The same applies in case of creation of Classes or Categories.

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

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

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 by the Articles and 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.

The Foreign Account Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA Law rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company (as defined hereafter) of the Fund may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;

- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Prospectus may not be delivered to 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 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 (as defined hereafter) i) if they become unauthorised persons or ii) if they hold Shares in the Fund in breach of the applicable laws and regulations, the Prospectus or the Articles, 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 value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he or she initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

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

All references in the Prospectus to:

- "EUR", "Euro" or "euros" or "€" refers to the currency of the European Union Member States participating in the single currency;
- "USD" refers to the currency of the United States of America;
- "Business Day" refers to any full day on which banks are open for business in Luxembourg.

Copies of the Prospectus can be obtained on the conditions indicated above from the Fund's registered office or from the Management Company's registered office.

### **Enquiries or Complaints**

Any investor enquiries or complaints should be submitted to European Fund Administration at the following email address: [compliance@efa.lu](mailto:compliance@efa.lu) and any response will be made in writing. Under the circumstances where performance related complaints are received, European Fund Administration will forward the complaint to the Management Company for a response.

The complaints handling policy established by the Management Company may be requested by contacting the Management Company at the email address [compliance@aaml.lu](mailto:compliance@aaml.lu) or fax number +352 27 12 54 84, or through the following website: [www.andbank.com](http://www.andbank.com).

### **Data protection**

Any information concerning shareholders (the “Personal Data”) and other related natural persons (together “the Data Subjects”), provided to, or collected by or on behalf of the Fund and the Management Company (directly from Data Subjects or from publicly available sources) will be processed by the latter as joint data controllers (the “Controllers” – contact details available at the registered office of the Fund in compliance with applicable data protection laws, in particular Regulation (EU) 2016/679 of 27 April 2016, the “General Data Protection Regulation” (together the “Data Protection Legislation”).

Failure to provide certain requested Personal Data may result in the impossibility to invest or maintain Shares in the Fund.

Personal Data will be processed by the Controllers and disclosed to, and processed by, services providers acting as processors on behalf of the Controllers such as the Registrar and Transfer Agent, the Administrative Agent, the Paying Agent, the Auditor, legal and financial advisers and when applicable the Distributor and its appointed sub-distributors if any. (the “Processors”) for the purposes of (i) offering and managing investments and performing the related services (ii) developing and processing the business relationship with the Processors, and (iii) if applicable direct or indirect marketing activities (the “Purposes”).

Personal Data will also be processed by the Controllers and Processors to comply with legal or regulatory obligations applicable to them such as cooperation with, or reporting to, public authorities including but not limited to legal obligations under applicable fund and company law, anti-money laundering and counter terrorist financing (“AML-CTF”) legislation, prevention and detection of crime, tax law such as reporting to the tax authorities under FATCA, the Common Reporting Standard (“CRS”) or any other tax identification legislation to prevent tax evasion and fraud as applicable (the “Compliance Obligations”). The Controllers and/or the Processors may be required to report information (including name and address, date of birth and tax identification number (“TIN”), account number, balance on account, the “Tax Data”) to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information with the competent authorities in permitted jurisdictions (including outside the European Economic Area) for the purposes provided for in FATCA and CRS or equivalent Luxembourg legislation. It is mandatory to answer questions and requests with respect to the Data Subjects’ identification and Shares held in the Fund and, as applicable, FATCA and/or CRS and failure to provide relevant Personal Data requested by the Controllers or the Processors in the course of their relationship with the Fund may result in incorrect or double reporting, prevent them from acquiring or maintaining their Shares in the Fund and may be reported to the relevant Luxembourg authorities.

In certain circumstances, the Processors may also process Personal Data of Data Subjects as controllers, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

Communications (including telephone conversations and e-mails) may be recorded by the Controllers and Processors including for record keeping as proof of a transaction or related communication in the event of a disagreement and to enforce or defend the Controllers' and Processors' interests or rights in compliance with any legal obligation to which they are subject. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controllers and Processors.

Personal Data of Data Subjects may be transferred outside of the European Union (including to Processors), in countries which are not subject to an adequacy decision of the European Commission and which legislation does not ensure an adequate level of protection as regards the processing of personal data.

Insofar as Personal Data is not provided by the Data Subjects themselves the Shareholders represent that they have authority to provide such Personal Data of other Data Subjects. If the Shareholders are not natural persons, they undertake and warrant to (i) adequately inform any such other Data Subject about the processing of their Personal Data and their related rights as described in the Prospectus and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data.

Personal Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes and Compliance Obligations, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods.

Detailed data protection information is contained in the information notice, in particular in relation to the nature of the Personal Data processed by the controllers and Processors, the legal basis for processing, recipients, safeguards applicable for transfers of Personal Data outside of the European Union and the rights of Data Subjects (including the rights to access to or have Personal Data about them rectified or deleted, ask for a restriction of processing or object thereto, right to portability, right to lodge a complaint with the relevant data protection supervisory authority and right to withdraw consent after it was given, etc.) and how to exercise them.

The full information notice is also available on demand at the registered office of the Fund or the Management Company at 4 rue Jean Monnet, L-2180 Luxembourg.

The shareholders' attention is drawn to the fact that the data protection information contained herein and in the Prospectus is subject to change at the sole discretion of the Controllers.

#### **Luxembourg Register of beneficial owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "Law of 13 January 2019") entered into force on 1 March 2019 (with a 6 month grandfathering period). The Law of 13 January 2019 requires all companies registered with the Luxembourg Company

Register, including the Fund, to obtain and hold information on their beneficial owners ("Beneficial Owners") at their registered office. The Fund must register certain Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Fund, as any natural person(s) who ultimately owns or controls the Fund through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Fund, including through bearer shareholders, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding or ownership interest of more than 25 % in the Fund held by a natural person shall be an indication of direct ownership. A shareholding or ownership interest of more than 25% in the Fund held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Fund, this investor is obliged by law to inform the Fund in due course and to provide the required supporting documentation and information which is necessary for the Fund to fulfil its obligation under the Law of 13 January 2019. Failure by the Fund and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Fund for clarification.

For both purposes the following e-mail address may be used: [compliance@aaml.lu](mailto:compliance@aaml.lu)

***Shares of the various Sub-Funds must be subscribed solely on the basis of the information contained in the Prospectus and the relevant Key Investor Information Document ("KIID"). The KIID is a pre-contractual document that contains key information for investors. It includes appropriate information about the essential characteristics of each Class of a particular Sub-Fund.***

***If you are considering subscribing for Shares, you should first read the relevant KIID carefully together with the Prospectus and more particularly its Part B which includes in particular information on the various Sub-Funds' investment policies, and you should also consult the Fund's latest published annual and semi-annual reports, copies of which are available from the following website: [www.andbank.com](http://www.andbank.com); from local agents, if any, or from the entities marketing the Shares, and may be obtained upon request, free of charge, at the Fund's registered office.***



## OPTIMIZE IP SICAV

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### OPTIMIZE IP SICAV

Société d'Investissement à Capital Variable

R.C.S. Luxembourg N° 249133

#### **Board of Directors:**

##### ***Chairman***

##### **Pedro Lino**

President

Optimize Investment Partners SGOIC, SA

Av. Fontes Pereira de Melo, 21, 4th, 1050-116

Lisbon, Portugal

##### ***Directors***

##### **Philippe Esser**

Director and Head of Institutional Sales – Business  
Development Department

Andbank Asset Management Luxembourg

##### **Nuno Santos**

Member of the Board

Optimize Investment Partners SGOIC, SA

Av. Fontes Pereira de Melo, 21, 4th, 1050-116

Lisbon, Portugal

#### **Registered Office:**

4, rue Jean Monnet

L-2180 Luxembourg

#### **Management Company:**

##### **Andbank Asset Management Luxembourg**

4, rue Jean Monnet

L-2180 Luxembourg

#### **Global Distributor:**

##### **Andbank Asset Management Luxembourg**

4, rue Jean Monnet

L-2180 Luxembourg

#### **Domiciliary and Corporate Agent:**

##### **Andbank Asset Management Luxembourg**

4, rue Jean Monnet

L-2180 Luxembourg

#### **Depository and Paying Agent:**

##### **Quintet Private Bank (Europe) S.A.**

43, boulevard Royal

L-2955 Luxembourg

#### **Administrative Agent:**

##### **European Fund Administration S.A.**

2, rue d'Alsace

L-1122 Luxembourg

#### **Registrar and Transfer Agent:**

##### **European Fund Administration S.A.**

2, rue d'Alsace

L-1122 Luxembourg

**OPTIMIZE IP SICAV**

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**Investment Manager:**

**Optimize Investment Partners SGOIC, SA**  
Av. Fontes Pereira de Melo 21, 4th  
1050-116 Lisboa  
Portugal

**Auditors:**

**Deloitte Audit S.à r.l.**  
20, Boulevard de Kockelscheuer  
L-1821 Luxembourg

**Legal Advisor**

**Elvinger Hoss Prussen**  
***société anonyme***  
2, Place Winston Churchill  
L-2014 Luxembourg

CONTENTS

<b>PART A - FUND INFORMATION .....</b>	<b>13</b>
<b>I. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS .....</b>	<b>13</b>
A. General Provisions .....	13
B. Eligible Financial Assets.....	31
C. Investment Restrictions .....	33
D. Techniques and Instruments relating to transferable securities and money market instruments.....	38
<b>II. BOARD OF DIRECTORS .....</b>	<b>41</b>
<b>III. MANAGEMENT COMPANY.....</b>	<b>41</b>
<b>IV. THE SHARES.....</b>	<b>43</b>
<b>V. PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION .....</b>	<b>44</b>
A. Subscription for Shares .....	44
B. Prevention of Money Laundering and Terrorist Financing .....	45
C. Conversion of Shares.....	45
D. Redemption of Shares.....	47
E. Protection against Late Trading and Market Timing practices.....	48
F. Suspension and rejection of subscriptions.....	49
<b>VI. DETERMINATION OF THE NET ASSET VALUE .....</b>	<b>49</b>
A. Calculation and Publication .....	49
B. Temporary Suspension of the Calculation of the Net Asset Value and the issue, redemption and conversion of Shares.....	51
<b>VII. DISTRIBUTION POLICY.....</b>	<b>52</b>
A. Principle for Distribution Categories.....	53
B. Payment .....	53
<b>VIII. CHARGES AND EXPENSES .....</b>	<b>53</b>
A. General.....	53
B. Formation Expenses .....	54
C. Fees to be paid to the service providers.....	54
<b>IX. DEPOSITARY AND PAYING AGENT .....</b>	<b>56</b>
<b>X. DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT .....</b>	<b>59</b>

## OPTIMIZE IP SICAV

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<b>XI. INVESTMENT MANAGER AND INVESTMENT ADVISOR .....</b>	<b>60</b>
<b>XII. DISTRIBUTORS .....</b>	<b>60</b>
<b>XIII. AUDITORS.....</b>	<b>61</b>
<b>XIV. TAXATION.....</b>	<b>61</b>
<b>XV. GENERAL INFORMATION .....</b>	<b>64</b>
A. Corporate Information .....	64
B. Meetings of, and Reports to, shareholders.....	65
C. Dissolution and Liquidation of the Fund.....	66
D. Liquidation, Merger and Split of Sub-Funds, Classes or Categories .....	67
<b>PART B - SPECIFIC INFORMATION .....</b>	<b>69</b>
<b>I. OPTIMIZE IP SICAV – OPTIMIZE GLOBAL BOND FUND .....</b>	<b>69</b>
<b>II. OPTIMIZE IP SICAV –OPTIMIZE EUROPE VALUE FUND.....</b>	<b>74</b>
<b>III. OPTIMIZE IP SICAV – Optimize Global Flexible Fund.....</b>	<b>79</b>
<b>IV. OPTIMIZE IP SICAV – Optimize Invest Selection.....</b>	<b>84</b>
<b>MISCELLANEOUS .....</b>	<b>89</b>
<b>I. DOCUMENTS AVAILABLE.....</b>	<b>89</b>
<b>II. SUBSCRIPTION FORMS .....</b>	<b>89</b>
<b>III. OFFICIAL LANGUAGE.....</b>	<b>89</b>

**PART A - FUND INFORMATION**

**I. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

**A. General Provisions**

**1. The Fund's objectives**

The Fund intends to offer its shareholders investments in a selection of negotiable securities and other eligible financial assets with high growth potential. The choice of assets will not be limited either geographically or as regards either the types of negotiable securities and other eligible financial assets or the currencies in which they are expressed, except for any applicable investment restrictions. The investment policy and more particularly the duration of investments will be adjusted in line with the current political, economic, financial and monetary outlook at any given time.

**2. The Fund's investment policy**

The Fund intends to achieve the above objectives mainly by the active management of portfolios of eligible financial assets. In accordance with the conditions and limits set out in Sections B to D below, and in compliance with the investment policy of each Sub-Fund as defined in Part B of the Prospectus, the eligible financial assets may consist of transferable securities, money market instruments, units of undertakings for collective investment in transferable securities ("UCITS") and/or undertakings for collective investment ("UCIs"), bank deposits and/or financial derivative instruments.

Each Sub-Fund may use financial derivative instruments for investment and hedging purposes, under the conditions and within the limits laid down by law, regulation and administrative practice, as well as under Part B of the Prospectus and the relevant Sections B to D below.

Each Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio. Global exposure is a measure designed to limit the leverage generated by each Sub-Fund through the use of financial derivative instruments. The method retained by the Management Company in order to determine the global risk exposure of each Sub-Fund is set out for each Sub-Fund in Part B of the Prospectus.

Each Sub-Fund has a different investment policy in terms of the type and proportion of eligible financial assets and/or in terms of geographical, industrial or sectorial diversification.

The investment policies and structure applicable to the various Sub-Funds created by the Board of Directors are described hereinafter in Part B of the Prospectus.

### **3. The Fund's risk profile**

Each Sub-Fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

No guarantee can be given that the Fund's objectives will be achieved and that investors will recover the amount of their initial investment.

The conditions and limits laid down below are intended however to ensure a certain portfolio diversification so as to reduce such risks.

### **4. Risk Factors**

Investors should note the following risk considerations before making any decision to invest in the Fund. It should be noted that the risk factors set out below do not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective investors should read the entire document and consult with their legal, tax and financial advisers before making any investment decision.

#### **General risks**

The below risk factors apply to all Sub-Funds indiscriminately and shall be considered regardless of their specific investment policies and strategies.

#### **General investment activity risks**

An investment in a Sub-Fund is suitable only for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Potential investors should consult their stockbroker, bank manager, lawyer, accountant or their independent financial adviser before investing.

Investment in the Fund should be regarded as long term in nature. There can be no guarantee that any appreciation in the value of any Sub-Fund's investments will occur and investors may not get back the full value of their investment. Although it will be the policy of each Sub-Fund to diversify its investment portfolio, a Sub-Fund may at certain times hold relatively few investments. A Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

There can be no guarantee that the investment objectives of the Fund will be met.

The past performance of assets managed by the Sub-Funds are not necessarily guides to the future performance of these Sub-Funds nor to any particular other Sub-Fund.

All investments involve risks and there can be no guarantee against loss resulting from an investment in any Shares, nor can there be any guarantee that a Sub-Fund's investment objectives will be attained in respect of its overall performance. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed in Part B of the Prospectus.

In addition to the opportunities for price gains and earnings, investment in securities also involves risks because the prices could fall below the purchase price paid. Factors affecting the value of securities in some markets and under certain situations cannot easily be determined and the value of such investments may decline or be reduced to zero.

The Fund employs a risk management process that enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Fund will also employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments. Further information is set out under Part B of the Prospectus for each relevant Sub-Fund.

### **Regulatory risks**

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

### **Taxation**

Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by and the performance of the Fund. Representations in the Prospectus concerning the taxation of investors in Shares are based upon current tax law and practice which is subject to change.

A Sub-Fund may from time to time purchase investments that will subject the Fund to withholding taxes or exchange controls in various jurisdictions. In the event that withholding taxes or exchange controls are imposed with respect to any of the Fund's investments, the effect generally reduces the income or proceeds received by the Fund on its investments.

See also Chapter XIV "Taxation" in this Part A of the Prospectus.

### **Risk reduction and risk avoidance measures**

The investment manager uses modern methods of analysis to optimise the opportunity/risk ratio of an investment in securities. Through shifting and temporarily higher cash balances, the portion of the Fund not invested in securities serves the objectives of the investment policy in that it reduces the effect of possible price falls in securities investments. Nevertheless, no assurance can be given that the objectives of the investment policy will be reached.

### **Conflicts of interest**

The Board of Directors, the investment managers (if any), the investment advisor(s), the distributor(s) (if any), the Management Company, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary and Corporate Agent and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the 'Parties') are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, including other underlying funds, purchases and sales of securities, investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees may

increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Fund may invest.

In particular, the investment manager may be involved in advising or managing other investment funds, including other underlying funds, which have similar or overlapping investment objectives to or with the Fund or Sub-Funds. Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of shareholders. The investment manager will endeavor to ensure a fair allocation of investments among each of its clients. Further details of the Management Company's conflicts of interest policy are available on request.

### **Suspension of Share dealings**

Investors are reminded that in certain circumstances their right to redeem Shares may be limited as further described in Chapter VI Section B in Part A of the Prospectus.

### **Fees and expenses**

Particular attention should be paid to the level of fees and expenses charged as their proportionate effect may be determined by Sub-Fund size.

### **Performance Fee risk**

The existence of a performance fee on a particular Sub-Fund has the benefit that it aligns the investment manager's interests more with that of the shareholders. However, because part of the investment manager's remuneration is calculated by reference to the performance of the relevant Sub-Fund, there is the possibility that the investment manager will be tempted to make investments that are riskier and more speculative than if the remuneration was linked purely to the size of that Sub-Fund.

### **Risk of no equalisation for Performance Fee**

The method of calculating any performance fee may give rise to the risk that a shareholder redeeming Shares may still incur a performance fee in respect of those Shares, even though a loss in investment capital has been suffered by the redeeming shareholder.

### **Non-segregation of assets and liabilities between Classes**

The Fund is composed of the different Sub-Funds listed in Part B of the Prospectus entitled "Specific Information", each Sub-Fund corresponding to a distinct part of the assets and liabilities of the Fund. Whilst each Sub-Fund may segregate the assets and liabilities attributable to each Class it maintains in its books and records, any third party creditor will be a creditor of the relevant Sub-Fund. For example, if a particular Sub-Fund defaults under any liability owed to one or more third parties where the relevant liability is attributable to a particular Class, such third party or third parties will have recourse to all the assets of the relevant Sub-Fund (i.e. the assets attributable to all Classes, and not just the assets of the Class to which the relevant liability is attributable in the books and records of the Sub-Fund) to satisfy such liability or liabilities.



### **Early termination of a Sub-Fund**

The Board of Directors may terminate a Sub-Fund in accordance with the provisions set forth under Section entitled "Liquidation, Merger and Split of Sub-Funds, Classes or Categories" under Chapter XV "General Information" in Part A of the Prospectus. In the event of early termination, the Sub-Fund concerned would have to distribute to the shareholders their pro rata interest in the assets of that Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by such Sub-Fund concerned may be worth less than the initial cost of such investments, thereby resulting in a substantial loss to the shareholders concerned.

### **Risk related to 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.

### **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 Section "Automatic Exchange of Information") 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 Luxembourg tax authorities. In addition, as the case may be, the Fund may redeem Shares held by such shareholders.

### **Sustainability risk**

The Management Company reviews and assesses potential sustainability risks within the meaning of the EU Regulation 2019/2088 dated March 10, 2021 on the sustainability related disclosures in the financial services sector and related technical standards (the "SFDR Regulation") as part of its decision-making processes with respect to the investments made and/or to be made by the Investment Manager of the Fund and will integrate such review within its internal procedures and policies. Such review will be performed by the risk management team of the Management Company and the risk management process is currently under review. Thereafter, during the ex-ante risk assessment process the Investment Manager will consider those risks and assess if those will have a relevant impact on the investment. If those risks are relevant, the risk management team also performs a regular (ex-post) review of those risks as part of the discharge of its duties.

More information regarding the sustainability risks management approach can be found under the sustainability risk policy available on the website of the Management Company on [www.andbank.com](http://www.andbank.com).

As part of a first review performed, the investments made and/or to be made by the Investment Manager are not likely to be affected by sustainability risks and that if any such sustainability

risk arises, it is not likely to have a more materially adverse effect on the Fund's returns than any other normal market or external risk. Investors should note that it is very difficult to assess with any reasonable certainty whether there exists, or the likely outcome of, any sustainability risk on the investments and/or the risk of occurrence of any such risk. The sustainability risk exposure assessment of the financial product will be performed on a periodic basis to ensure that the Management Company is able to identify a risk becoming relevant and affect the Fund's return. Based on this assessment, if a sustainability risk is identified as being relevant and having an impact on the financial return, the present Prospectus will be adapted accordingly.

As part of the delegation of the portfolio management to the Investment Manager, the Investment Manager is responsible for the consideration of the principal adverse impact of the investment decision on the sustainability factors as disclosed in the Part B Specific Information of this Prospectus describing the particularities of the Sub-Funds.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Specific risks**

The below risk factors may apply to the Sub-Funds in the context of their specific terms and investment policies and strategies.

#### **Financial derivative instruments risks**

A Sub-Fund may invest in financial derivative instruments, comprising options, futures, index futures and currency forward contracts for investment, hedging and efficient portfolio management. Furthermore, the Sub-Funds may invest in underlying funds which use financial derivative instruments extensively or primarily for investment purposes.

The risks associated with using financial derivative instruments (whether for hedging, efficient portfolio management and investment purposes) are set out in the paragraphs titled "Risks Related to Investments in Equity Related Securities", "Options", "Financial Futures Contracts", "Swaps", "Portfolio swaps and Participation Notes" and "Possible Losses in Securities Option Transactions, Financial Futures Contracts, Option Transactions on Financial Futures Contracts and Securities Index Options" below.

Investment funds using financial derivative instruments for investment purposes are generally associated with greater risk than funds which use financial derivative instruments only for efficient portfolio management or hedging purposes. These significant additional risks include, for example, market counterparty risk, leverage risk, liquidity risk and operational risk. Losses incurred as a consequence of the use of financial derivative instruments for investment purposes may be substantial and could lead to total capital loss for investors in the Sub-Fund(s) concerned. There is a risk of total / significant loss resulting from the use of financial derivative instruments for investment purposes.

Where a Sub-Fund enters into OTC derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. Further, there is risk with such investments, that the more bespoke they become and the more complex they become the harder it is to unwind the positions at market prices.

Basis risk is the risk of loss due to a divergence in the difference between two rates or prices. There will be occasions where a Sub-Fund will use financial derivative instruments to hedge out existing market exposure to a particular basket of stocks. Although the underlying constituents of the financial derivative instrument used may be similar to the basket of stocks being hedged against, it is likely that there will be differences in the composition. The hedging arrangement may therefore not fully offset the price change in the basket of stocks being hedged against.

There is also a risk that the investment manager will have insufficient cash in a Sub-Fund to meet the margin calls necessary to sustain its position in a derivative contract in which case the counterparty will require the investor to place a margin payment with them at the outset of the contract, and this margin payment will be subject to additional top-ups if and when the market moves against the investor. In such circumstances the investment manager will either have to close out the position, thus realising a loss, or dispose of other assets in such Sub-Fund to raise the required margin call, thus potentially adversely affecting the investment composition of such Sub-Fund.

### **Risks related to investments in equities (including ordinary and preference shares)**

Experience has shown that equities and securities of a share-like character are subject to strong price fluctuations. That is why they offer the possibility of considerable price gains, but also involve increased risks. For example, the prices of equities and securities of a share-like character are influenced above all by the profits or otherwise of individual enterprises and sectors as well as macro-economic developments and political perspectives which determine the expectations of the securities markets and thus the movement of prices. All factors affecting the value of securities in some markets and under certain situations cannot easily be determined and the value of such investments may decline or be reduced to zero.

### **Risks related to investments in fixed-interest securities (including convertible debt securities)**

Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Fixed-interest securities could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates fall. The price changes also depend on the term or residual time to maturity of the fixed-interest securities. In general, fixed-interest securities with shorter terms have less price risks than fixed-interest securities with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.

### **Risks related to investments in warrants**

In addition to the above risks involved with securities and exchange rate changes, warrants carry the risk, but also the opportunity, of what is known as leverage. This leverage is produced, for example, with call warrants through the lower capital investment when the warrants are purchased compared with a direct purchase of the underlying assets. The same applies for put warrants. The greater the leverage, the greater the change of price of the warrant in the event of a change in the prices of the underlying assets (in comparison to the subscription price set forth in the option conditions). The opportunities and risks of warrants increase as the leverage increases. Since warrants are generally issued only for a limited term, it cannot be ruled out that they will be valueless at the date of maturity if the price of the underlying assets falls below the

subscription price fixed when the call warrants were issued or exceeds the subscription price fixed when the put warrants were issued.

**Risks related to investments in fixed-interest securities without regular interest payments and zero bonds**

Particular attention must be paid to observing the credit worthiness and assessing the issuer of interest-bearing securities without regular interest payments and zero bonds. In times of climbing capital market interest rates, it may be difficult to trade in such bonds, particularly because of their comparatively long term and the absence of continual interest payments.

**Risks related to investments in equity related securities**

In accordance with the investment policies and restrictions of the Fund, certain Sub-Funds may invest in equity related securities, including but not limited to financial derivative instruments, options, swaps, futures and forward contracts, warrants, convertible bonds and preference shares. Equity related securities may not be listed and are subject to the terms and conditions imposed by their issuers. There may be no active market in equity related securities and therefore investments in equity related securities can be illiquid. In order to meet redemption requests, the Fund relies upon the issuers of the equity related securities to quote a price to unwind any part of the equity related securities that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuers of equity related securities will not settle a transaction due to a credit or liquidity problem and the relevant Sub-Funds may suffer a loss (including a total loss). Investments in equity related securities do not entitle the investors to the beneficial interest in the underlying securities nor to make any claim against the Fund issuing the securities. Fluctuations in the exchange rate between the denomination currency of the underlying Shares and the equity related securities will affect the value of the equity related securities, the redemption amount and the distribution amount on the equity related securities.

**Risks related to the use of financial derivative instruments for hedging / efficient portfolio management purposes**

In adverse circumstances, the Fund's use of financial derivative instruments may become ineffective in hedging / efficient portfolio management and the Fund may suffer significant losses in relation to use of financial derivative instruments.

**Risks related to investments in bonds**

Comparatively, the bond market has been less vulnerable to price swings or volatility than other investment products as most bonds pay investors a fixed rate of interest income that is also backed by a promise from the issuer. Apart from the general investment risks, there are also risks which arise from investing in bonds and these include the interest rate risk (bond prices usually fall when the interest rate rises); inflation risk (this usually reduces the purchasing power of a bond) and market risk (the risk that the bond market as a whole would decline).

**Risks related to investments in convertible bonds**

Convertible bonds are corporate bonds that may be converted into or exchanged for a prescribed amount of common stock or other equity securities of the relevant issuer(s) within a

particular period of time at a specified price or formula and includes all types of convertible bond that are eligible for investment by UCITS, including specifically the following:

- Vanilla convertible bonds: where the convertible bond is convertible into the equity of the issuer of the convertible bond at the option of the holder;
- Exchangeable convertible bonds: where the convertible bond is convertible into the equity of a company other than issuer at the option of the holder;
- convertible bonds with detachable warrants: where the warrant attached to the convertible bond can be detached and traded separately;
- Mandatory convertible bonds: where the convertible bond is automatically converted into equity at maturity;

Convertible bonds have bond-like characteristics, paying a regular rate of interest, and have seniority in the case of the underlying business defaulting or not paying its debts. These debt securities also let the bondholder convert the debt holding into common shares at a specified strike price, giving them share price appreciation.

The strike price is a specific stock price level that needs to be triggered for the conversion to occur. Investors can benefit from convertible bonds since the bonds can be converted to stock when the company's stock price is appreciating. The convertible feature allows investors to enjoy both, the benefits of bonds with their fixed interest rate, and the potential for capital appreciation from a rising stock price.

This exposure to equity movements can lead to more volatility than could be expected from a comparable conventional corporate bond.

Investments in convertible bonds are subject to the same interest rate, credit and prepayment risks associated with comparable conventional corporate bonds. Price changes in fixed-interest securities are influenced significantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. The values of convertible securities also may be affected by changes in the credit rating, liquidity or financial condition of the issuer. A Sub-Fund may also be exposed to the credit and insolvency risks of the issuers of the securities.

### **Risk related to Investments in contingent convertible bonds**

A contingent convertible bond (“CoCos”) is a debt instrument primarily issued by financial institutions. When issued, CoCos come with a set interest rate and conversion ratio at which the bond convert to shares. Unlike a traditional convertible bond, the financial institution forces the conversion into equity according to specific trigger events. CoCos have a specific strike price that, once breached, can convert the bond into equity or stock. CoCos are high-yield, high-risk products.

CoCos expand on the concept of convertible bonds by modifying the conversion terms. As with other debt securities, investors receive periodic, fixed-interest payments during the life of the bond. Like convertible bonds, these subordinated, bank-issued debts contain specific triggers that detail the conversion of debt holdings into common stock. The trigger can take several forms, including the underlying shares of the institution reaching a specified level, the bank's requirement to meet regulatory capital requirements, or the demand of managerial or supervisory authority.

The investments in CoCos may entail the following potential risks, therefore, investors should fully understand and consider the risks of CoCos as a complex product and correctly factor those risks into their valuation:

Trigger level risk: trigger levels differ and determine exposure to a conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager to anticipate the triggering events that would require the debt to convert into equity.

Coupon cancellation: for some CoCos, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Write-down Risk: While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk. Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Capital structure inversion risk: contrary to classical capital hierarchy, CoCos' investors may suffer a loss of capital when equity holders do not.

In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger Tier 2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk: some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk: the structure of CoCos is innovative yet untested.

Higher yields: investors have been drawn to the instruments as a result of the CoCos often attractive yield which may be viewed as a complexity premium.

Industry concentration risk: investment in CoCos may lead to an increased industry concentration risk and thus counterparty risk as such securities are issued by a limited number of banks.

Valuation risk: the value of CoCos may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Fund may lose its entire

investment or may be required to accept cash or securities with a value less than its original investment.

Conversion risk: it might be difficult for the Investment Manager to assess how the securities will behave upon conversion. A forced sale may itself lead to liquidity issue for these shares.

Liquidity risk: in certain circumstances finding a ready buyer for CoCos may be difficult and the seller may have to accept a significant discount to the expected value of the CoCos in order to sell it.

### **Depository receipts**

Investment into a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depository receipt admitted to the official listing on a stock exchange may be deemed an eligible transferable security regardless of the eligibility of the market in which the security to which it relates normally trades.

### **Credit and counterparty risks**

Even when the securities to be acquired are selected carefully, the credit risk, i.e. the risk of loss through the inability of issuers to pay (issuer risk), cannot be excluded. The value of a Sub-Fund may be adversely affected if any of the institutions with whom the assets of the Sub-Fund are invested or deposited suffers insolvency or other financial difficulties. Such deposits may include margin payments to derivative counterparties and cash held on deposit at bank.

The Sub-Funds may invest in financial derivative instruments, comprising options, futures, index futures and currency forward contracts for hedging and efficient portfolio management, as more fully described in the investment policy of each Sub-Fund. There is a risk that the use of such instruments will not achieve the goals aimed at. Also, the use of swaps and other derivative contracts entered into by private agreements may create a counterparty risk for the Sub-Fund concerned.

In certain circumstances, there may be a credit risk with regard to parties with whom a Sub-Fund trades and a Sub-Fund may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. It may not always be possible for the securities and other assets deposited with depositories or brokers to be clearly identified as being assets of a Sub-Fund and such Sub-Fund may be exposed to a credit risk in those situations. In addition, there may be practical or time problems associated with enforcing a Sub-Fund's rights to its assets in the case of an insolvency of any such party. In such circumstances it is possible that a Sub-Fund will not be able to recover any debt in full, or at all.

These risks are mitigated by the fact that the counterparties must be institutions subject to prudential supervision and that the counterparty risk on a single entity must be limited in accordance with the investment restrictions. The secondary market price of such financial derivative instruments will vary in accordance with the market's perception of the credit worthiness of the issuer.

In the event of failure of the counterparty the Fund may only rank as an unsecured creditor in respect of sums due from the issuer or broker in question, meaning that the Fund may be unable to recover part or all of the assets exposed to that counterparty and any such recovery may be significantly delayed. Such delay or loss would be to the detriment of the Net Asset Value of Shares in the relevant Sub-Fund.

### **Liquidity risk**

A Sub-Fund's ability to invest in and to liquidate its assets may, from time to time, be restricted by the liquidity of the market for those assets. Regulated markets may undergo temporary or prolonged closures and may impose a suspension or limitation on trading in a security traded on the relevant exchange or market.

In addition, certain listed transferable securities and money market instruments, particularly securities and money market instruments of smaller capitalised issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than transferable securities or money market instruments of larger, more established companies or stock market averages in general. These difficulties may be exacerbated during periods of extreme market volatility.

Furthermore, redemptions by shareholders could require the liquidation of securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Shares of both the redeeming shareholders and the remaining shareholders. For example, such redemptions could require liquidations of the positions in a short time frame, which could reduce the value of certain of a Sub-Fund's investments, satisfy the available demand in the market, thus impairing the ability of such Sub-Fund to liquidate its investments or in certain instances force such Sub-Fund to liquidate positions at a time other than when a Sub-Fund would elect to do so.

### **Sector and/or geographical concentration**

Sub-Funds which specialise in investing in a particular market sector or geographical region are likely to be more volatile than funds with a broader range of investments. This risk is greater in relation to investment in emerging market countries which may experience political and economic changes.

### **Options**

Options are associated with particular risks which can differ in importance, depending on the position taken:

- The purchase price of a call or put option is lost on the date of maturity.
- If a call option is sold, there is a risk that a Sub-Fund will no longer be able to participate in especially strong appreciation of the asset. If put options are sold, there is a risk that such a Sub-Fund will be obligated to acquire assets at the exercise price, even though the market value of these assets is significantly lower.
- The value of a Sub-Fund can be more strongly influenced through the leveraging of options than would be the case if assets were acquired directly.



### **Financial futures contracts**

Financial futures contracts are associated with considerable opportunities as well as risks, because only a fraction of the relevant contract size (initial deposit) must be paid immediately. If the expectations of the investment manager are not fulfilled, the difference between the price at the time of conclusion and the market price must be borne by the relevant Sub-Fund by no later than the due date of the transaction. The amount of the possible loss is thus not known in advance and may exceed any collateral provided.

### **Portfolio swaps and credit default swaps**

Swaps involve a particular contracting party risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late. Swaps also involve a market risk arising from fluctuations in exchange rates and interest rates.

In the case of swaps which convert into foreign currency, there are also exchange rate opportunities and risks. Moreover, these swaps are subject to what is called a transfer risk, something which also exists with other swaps involving cross-border transactions.

Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile than funded securities.

Existing Sub-Funds are not authorised to enter into total return swaps within the meaning of Regulation EU/2015/2365 on transparency of securities financing transactions and of reuse (the "SFT Regulation"). If any of the Sub-Funds were to enter into total such total return swaps in the future, the Prospectus will be updated accordingly.

### **Participation notes**

Participation notes involve a particular contracting party risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late. They also involve a market risk arising from fluctuations in exchange rates and interest rates.

In the case of participation notes which convert into foreign currency, there are also exchange rate opportunities and risks. Moreover, these participation notes are subject to what is called a transfer risk, something which also exists with other participation notes involving cross-border transactions.

### **Possible losses in securities option transactions, financial futures contracts, option transactions on financial futures contracts and securities index options**

Securities option dealings, financial futures contracts and option dealings on financial futures contracts and securities index options (option rights and warrants) are all forward exchange transactions.

However, since the possible profits arising from such transactions must be set against high possible losses, the investor must realise that:

- the time-limited rights acquired from forward exchange transactions can collapse or suffer a reduction in value;
- the amount of the possible loss is not known in advance and can exceed any collateral provided;
- it may not be possible, or may only be possible at a loss, to effect dealings through which the risks from forward exchange transactions which have been effected are to be excluded or limited; and
- in addition to the above risks, the exercising of two linked forward exchange transactions involves additional risks which depend on the financial futures contracts/securities index options thus created and may result in a loss far above the original investment in the price paid for the option right or warrant.

### **Currency exposure and passive currency hedging**

Each Class/Category of each Sub-Fund will have its own currency and each Sub-Fund will have its own reference currency. The Shares of each Class/Category will be issued and redeemed by reference to the currency concerned. The assets of each Sub-Fund may, however, be invested in securities and other investments that are not denominated in the currency of the relevant Class/Category and/or reference currency of the relevant Sub-Fund. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore each Sub-Fund will necessarily be subject to foreign exchange risks relative to the currency of the relevant Class/Category and/or reference currency of the relevant Sub-Fund.

In particular, an investor who acquires Shares of a Sub-Fund will be subject to foreign exchange risk in respect of those assets of such Sub-Fund, which are denominated in any currency other than the reference currency of accounting in such Sub-Fund (irrespective of whether the currency of investment was also the currency of the relevant Class/Category).

An investor whose assets and liabilities are predominantly in another currency should take into account the potential risk of loss (or gain) arising from fluctuations in value between the currency denomination of the assets of a Sub-Fund in which such investor invests and such investor's own currency of investment.

An investor who subscribes for Shares, or requests that redemption payments be made, in a currency other than the currency of the relevant Class/Category and/or reference currency of the relevant Sub-Fund should also take into account the potential risk of loss arising from fluctuations in value between the currency of the relevant Class/Category and/or reference currency of the relevant Sub-Fund and the currency that such investor used to subscribe for Shares or the currency in which such investor requests that redemption payments be made.

Passive currency hedging strategies may be used by the investment manager, at its sole discretion, to seek to reduce the impact of adverse movements between the currency of the relevant Class/Category and/or reference currency of a Sub-Fund and the currencies of the assets in which a Sub-Fund is invested. This may involve the use of foreign exchange transactions and/or currency derivatives. However, there is no guarantee that any hedging techniques will be employed or, if employed, that they will be effective in managing the currency exposures to which a Sub-Fund may be subject.

Each Class will be responsible for any currency hedging costs applicable to the assets attributable to it.

### **Exchange rate hedging transactions**

Exchange rate hedging transactions serve to reduce exchange rate risks. As these hedging transactions only protect a Sub-Fund to a limited extent to one part of the exchange rate losses, it cannot be ruled out that exchange rate fluctuations can have a negative impact on the performance of such Sub-Fund.

### **Future exchange transactions**

The costs and possible losses arising in future exchange transactions through the purchase of the corresponding option rights and warrants reduce the operating profit of the Fund. In this respect the notes regarding securities option transactions and financial futures contracts also apply here.

### **Risks related to investments in emerging and less developed markets**

In emerging and less developed markets, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Therefore, investing in these markets involves certain risks and special considerations not typically associated with investment in major western jurisdictions. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investments in emerging and less developed markets should be made only by sophisticated investors or professionals, such as the investment manager, who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

In general, the securities markets in the emerging and less developed markets are less developed than the major western securities markets. There is less state regulation and supervision of these securities markets, and less reliable information available to brokers and investors than in the major western markets and consequently less investor protection. Their accounting, auditing and financial reporting standards and requirements in those markets are in many respects less stringent and less consistent than those applicable in many major western countries. Corporate legislation in the emerging and less developed markets regarding the fiduciary responsibility of directors and officers and protection of shareholders is significantly less developed than in the major western jurisdictions and may impose inconsistent or even contradictory requirements on companies. In addition, less information is available to investors investing in securities of companies in those markets and the historic information which is available is not necessarily comparable or relevant to many major western countries.

Examples of economies that can be considered to be emerging market economies include, without limitation, countries in Asia, Latin America, the Middle East, southern and eastern Europe, the region formerly known as the USSR, and Africa. These include, again without limitation: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey, Sri Lanka and Pakistan.

### **Political and economic risk factors of emerging markets**

There is in some emerging market countries, in which certain Sub-Funds may invest, a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economics of many emerging market countries can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments on relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

### **Foreign investment restrictions**

There are, in certain of the countries in which investments of certain Sub-Funds are proposed, restrictions on investment by foreign investors. In addition, the ability of foreign investors, such as the Fund, to participate in privatisations in certain foreign countries may be limited by local law, or the terms on which the Fund may be permitted to participate may be less advantageous than those for local investors. These factors and any restrictions introduced in the future could limit the availability to the Fund of attractive investment opportunities.

### **Settlement and custodial risk**

Settlement and safe custody of securities in certain emerging countries involve certain risks and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. The Depositary will not have absolute liability for the acts, omissions or creditworthiness of local agents, depositaries, registrars or brokers involved in the safekeeping or the settlement of the assets of the Fund.

### **Small and midsize companies risk**

While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price and less liquid than larger company securities, especially over the short term.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating rate.

These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and emerging markets such as certain Asian markets, especially as the liquidity of securities issued by companies in

such markets may be substantially smaller than with comparable securities in more developed countries.

#### **Risks related to investments in underlying funds**

The investment manager may not always be provided with detailed information regarding all of the investments made by underlying funds because certain of this information may be considered proprietary information by the managers of those underlying funds. This potential lack of access to information may make it more difficult for the investment manager to select, allocate among and evaluate individual fund managers.

Despite the due diligence procedures which will be used to select and monitor the individual underlying funds in which the assets of the Sub-Funds will be invested, there can be no assurance that past performance information in relation thereto will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future.

Although the investment manager will seek to monitor the investments and trading activities of the underlying funds in which a Sub-Fund has invested, investment decisions will normally be made independently at the level of such underlying funds and it is possible that some managers will take positions in the same security or in issues of the same industry or country at the same time. Consequently, the possibility also exists that one underlying fund may purchase an instrument at about the same time as another underlying fund decides to sell it. There can be no guarantee that the selection of the managers will actually result in a diversification of investment styles and that the positions taken by the underlying funds will always be consistent.

Potential investors must be aware that underlying funds will be subject to management fees and other expenses. As a result, investors may suffer management fees and expenses incurred both at the level of the Fund and the underlying funds in which the Sub-Fund invests. There may also be a duplication of subscription and/or redemption fees.

#### **Risks related to investments in convertible securities**

Convertible bonds are corporate bonds with an option that allows an investor to convert the bond into shares at a given price at specified times during the life of the convertible bond. This exposure to equity movements can lead to more volatility than could be expected from a comparable conventional corporate bond.

Investments in convertible bonds are subject to the same interest rate, credit and prepayment risks associated with comparable conventional corporate bonds. Price changes in fixed-interest securities are influenced significantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. The values of convertible securities also may be affected by changes in the credit rating, liquidity or financial condition of the issuer. A Sub-Fund may also be exposed to the credit and insolvency risks of the issuers of the securities.

#### **Risks related to investments in commodities (including commodities indices)**

Commodities, to which some of the Sub-Funds may be exposed, are assets that have tangible properties, such as oil, metals, and agricultural products. An exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may

be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.

### **Single Country risk**

Funds which essentially invest or have exposure in only one country will have greater exposure to market, political, legal, economic and social risks of that country than a Fund which diversifies country risk across a number of countries. There is a risk that a particular country may impose foreign exchange and/or conversion controls or regulate in such a way as to disrupt the way the markets in that country operate. The consequences of these actions, and others such as confiscation of assets, could be to hinder the normal operation of the Fund with regard to the purchase and sale of investments and possibly the ability to meet redemptions. As further described in this Prospectus, dealing in the Fund may be suspended and investors may not be able to acquire or redeem units in the Fund. Investment in a single country may result in reduced liquidity, greater financial risk, higher volatility and limited diversification, which may have significant impact on the ability of the Fund to purchase or sell investment and possibly the ability to meet redemption requests in a timely manner. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

### **Investment in high-yield securities**

A Sub-Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, each Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these low-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

### **Investment in distressed securities**

Investment in distressed securities (i.e. bonds which, at time of investment, are rated below speculative grade (CCC) by one or more of the main agencies (Moody's, Standard & Poor, Fitch) may cause additional risks for a Sub-Fund. Such securities are regarded as predominantly

speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Therefore, a Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the Sub-Fund. Under such circumstances, the returns generated from the Sub-Fund's investments may not compensate the shareholders adequately for the risks assumed.

## **5. The Fund's risk management**

The Management Company will employ a risk-management process which will enable it to monitor and measure at any time the risk of the positions of the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds.

The method retained by the Management Company in order to determine the global risk exposure of each Sub-Fund is set out for each Sub-Fund in Part B of the Prospectus.

### **B. Eligible Financial Assets**

The various Sub-Funds must invest exclusively in:

#### **Transferable securities and money market instruments**

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of article 4(1)14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
- b) transferable securities and money market instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public;
- d) recently issued transferable securities and money market instruments, provided that (i) the issue terms and conditions include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public and that (ii) such admission is secured within one year of issue at the latest;
- e) money market instruments other than those dealt in on a regulated market, provided that the issue or the issuer of these instruments is itself subject to regulations intended to protect investors and savings and that these instruments are:
  - issued or guaranteed by a central, regional or local authority, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third State or, in the case of a Federal State, by one of the members composing the federation, or by an international public organisation to which one or more EU Member States belong; or

- issued by an undertaking any securities of which are dealt in on the regulated markets referred to under points a), b) or c) above; or
- issued or guaranteed by an establishment subject to prudential supervision in accordance with the criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that the investments in these instruments are subject to investor protection rules which are equivalent to those set out in the first, second or third indents, and that the issuer is a company which has capital and reserves of at least ten million euros (EUR 10,000,000.-) and which draws up and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies including one or several listed companies, is dedicated to financing the group or is an entity which is dedicated to financing securitisation vehicles benefiting from a bank credit line.

Moreover, any Sub-Fund may invest its net assets up to 10% maximum in transferable securities and money market instruments other than those indicated under a) to e) above.

#### **Units of undertakings for collective investment**

- f) units of UCITS authorised according to the Directive 2009/65/EC and/or other undertakings for collective investment ("UCIs") within the meaning of article 1(2), first and second indents of the Directive 2009/65/EC, whether or not established in an EU Member State, provided that:
- such other UCIs are authorised in accordance with legislation stipulating that these undertakings are subject to a supervision that the CSSF considers as equivalent to that provided for by Community law and that there are sufficient guarantees of cooperation between the authorities;
  - the level of protection guaranteed to unitholders of such other UCIs is equivalent to that provided for UCITS unitholders and, in particular, that the rules relating to the segregation of assets, borrowing, loans and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 2009/65/EC;
  - the business of such other UCIs are reported in half-yearly and annual reports, which enable investors to assess their assets and liabilities, as well as the income and transactions for the period under review;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation be invested in aggregate in units of other UCITS or other UCIs.

#### **Deposits with credit institutions**

- g) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down by Community law.



### Financial derivative instruments

- h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market of the type referred to under points a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments described under points a) to f) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to the investment objectives and policies applicable to the relevant Sub-Fund;
  - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

The Fund may hold liquidities on an ancillary basis.

### C. Investment Restrictions

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund in Part B of the Prospectus, the investment policy of the Sub-Funds shall comply with the rules and restrictions laid down hereafter.

### Transferable securities and money market instruments

1. The Fund shall not invest its net assets in transferable securities and money market instruments of the same issuer in a proportion which exceeds the limits set out below, it being understood that (i) these limits are to be respected within each Sub-Fund and that (ii) companies that are grouped together for account consolidation purposes are to be considered as a single entity for the purpose of calculating the limits described under points a) to e) below.
  - a) A Sub-Fund may not invest more than 10% of its net assets in transferable securities or money market instruments issued by the same body.  
In addition, the total value of the transferable securities and money market instruments held by the Sub-Fund in issuers in which it invests more than 5% of its net assets shall not exceed 40% of the value of its net assets. This limit does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.
  - b) A Sub-Fund may invest cumulatively up to 20% of its net assets in transferable securities and money market instruments within the same group.
  - c) The 10% limit referred to under point a) above may be increased to a maximum of 35% when the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its public local authorities, by a non-EU Member State or by public international bodies of which one or more EU Member States belong.
  - d) The 10% limit referred to under point a) above may be increased to a maximum of 25% for certain bonds where they are issued by a credit institution having its registered office in an EU Member State and being subject by law, to specific public supervision intended to protect bondholders. In particular, the sums raised from the

issue of those bonds must be invested, in accordance with the law, in assets which adequately cover, throughout the life of the bonds, the resultant obligations and allocated in priority to the repayment of the capital and the payment of accrued interest in the event of the issuer's bankruptcy. If a Sub-Fund invests more than 5% of its net assets in these bonds which are issued by the same issuer, the total value of these investments may not exceed 80% of the value of its net assets.

e) The transferable securities and money market instruments referred to under points c) and d) above shall not be taken into consideration for the application of the 40% limit stipulated under point a) above.

f) **By way of derogation, each Sub-Fund is authorised to invest, according to the principle of risk-spreading, up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, by one or more of its local authorities, or by another member state of the Organisation for Economic Co-Operation and Development, Singapore and any Member State of the G20 including the People's Republic of China or by public international bodies of which one or more EU Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**

If a Sub-Fund avails itself of this last possibility, it must then hold securities belonging to at least six different issues and the securities belonging to the same issue may not account for more than 30% of its total assets.

g) Without prejudice to the limits established under point 8. below, the 10% limit referred to under point a) above is increased to a maximum of 20% for investments in stocks and/or debt securities issued by the same entity, when the Sub-Fund's investment policy is to replicate the composition of a specific stock or debt security index that is recognised by the CSSF, on the following basis:

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

The 20% limit is increased to 35% when such is justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or certain money market instruments are highly dominant. Investment up to this limit is authorised for only one issuer.

### **Deposits with credit institutions**

2. The Fund may not invest more than 20% of the net assets of each Sub-Fund in deposits made with the same entity. Companies that are grouped together for account consolidation purposes are to be considered as a single entity for the purpose of calculating this limit.

### **Financial derivative instruments**

3. a) The counterparty risk exposure in an OTC derivative transaction may not exceed 10% of the net assets of the Sub-Fund if the counterparty is one of the credit institutions referred to in Section B point g) above, or 5% of its net assets in all other cases.

b) Investments in financial derivative instruments are authorised provided that, overall,

the risks to which the underlying assets are exposed do not exceed the investment limits laid down under points 1. a) to e), 2., 3. a) above and 6. and 7. below. When the Fund invests in financial derivative instruments based on an index, such investments are not necessarily combined with the limits set out under points 1. a) to e), 2., 3. a) above and 6. and 7. below.

- c) When a transferable security or a money market instrument includes a financial derivative instrument, the latter must be taken into consideration for the application of the provisions set out under points 3. d) and 7. below, as well as for the assessment of the risks related to transactions in financial derivative instruments, so that the overall risk related to financial derivative instruments does not exceed the total net value of assets.
- d) Each Sub-Fund shall ensure that the overall risk related to financial derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated by taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements, and the time available to liquidate the positions.

#### **Units of undertakings for collective investment**

- 4. a) The Fund may not invest more than 20% of the net assets in each Sub-Fund in units of a single UCITS or other UCI, such as defined in Section B point f) above.
- b) Investments in units of UCIs other than UCITS may not exceed in total 30% of the Sub-Fund's net assets.
- c) When a Sub-Fund invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or other UCIs.

To the extent that this UCITS or UCI is a legal entity with multiple compartments where the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured, each compartment is to be considered as a separate issuer for the application of the above risk-spreading rules.

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of these latter do not have to be combined for the purposes of the calculation of the investment limits applicable to the Sub-Fund.

If any Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged both to such Sub-Fund itself and the other UCITS and/or other UCIs concerned shall not exceed 3% of the relevant assets.

The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

### Shares of Sub-Funds of the Fund

5. 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
  - No more than 10% of the net assets of the target Sub-Funds may be invested in units of other UCITS or other UCIs; 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 2010 Law.

### Combined limits

6. Notwithstanding the individual limits set under points 1. a), 2. and 3. a) above, a Sub-Fund shall not combine:
  - investments in transferable securities or money market instruments issued by the same entity,
  - deposits made with the same entity, or
  - risks resulting from OTC derivatives transactions undertaken with that single entity,that exceed 20% of its net assets.
7. The limits stipulated under points 1. a), 1. c), 1. d), 2., 3. a) and 6. shall not be combined and, accordingly, investments in the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 6. may not, in any event, exceed in total 35% of the net assets of the relevant Sub-Fund.

### Limits on control

8.
  - a) A Sub-Fund may not acquire any shares carrying voting rights which would enable it to exercise a significant influence over the management of an issuer.
  - b) A Sub-Fund shall not acquire more than 10% of the non-voting shares of any single issuer.
  - c) A Sub-Fund shall not acquire more than 10% of the debt securities of any single issuer.
  - d) A Sub-Fund shall not acquire more than 10% of the money market instruments of any single issuer.
  - e) A Sub-Fund shall not acquire more than 25% of the units of any single UCITS or other UCI.

It is accepted that the limits stipulated under points 8. c) to e) above may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or money market instruments, or the net amount of the instruments in issue, cannot be calculated.

The limits stipulated under points 8. a) to e) above do not apply in the case of:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- shares held in the capital of a company incorporated in a non-EU Member State, on condition that (i) the company in question invests its assets mainly in the securities of issuing bodies having their registered office in that State where, (ii) under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State, and (iii) in its investment policy the company from the non-EU Member State complies with the rules on risk diversification, counterparties and control limits laid down in points 1. a), 1. c), 1. d), 2., 3. a), 4. a) and b), 6., 7. and 8. a) to e) above;
- shares held in the capital of subsidiary companies carrying on the business of management, advice or marketing exclusively on the Fund's behalf in the country where the subsidiary is established as regards to the redemption of units at the request of shareholders.

#### **Borrowing**

9. Each Sub-Fund is authorised to borrow up to 10% of its net assets provided that such borrowing is on a temporary basis. Each Sub-Fund may also acquire foreign currency by means of back-to-back loans.

Commitments under options contracts, purchases and sales of forward contracts are not considered as borrowing for the purpose of calculating this investment limit.

#### **Finally, the Fund shall ensure that the investments of each Sub-Fund respect the following rules:**

10. The Fund may not grant loans to or act as a guarantor for third parties. This restriction shall not prevent it from acquiring transferable securities, money market instruments or other financial instruments which are not fully paid.
11. The Fund may not carry out short sales on transferable securities, money market instruments, or other financial instruments as mentioned in Section B above.
12. The Fund may not acquire movable and immovable property unless such is essential for the direct pursuit of its activity.
13. The Fund may not acquire commodities, precious metals or even certificates representing them.
14. The Fund may not use its assets to guarantee securities.
15. The Fund may not issue warrants or other instruments entitling the holder to acquire Shares in the Fund.

**Notwithstanding all the aforementioned provisions:**

16. It is accepted that the limits stipulated previously may not be respected when exercising subscription rights in respect of transferable securities or money market instruments, which are part of the assets of the Sub-Fund concerned.
17. When the maximum percentages above are exceeded for reasons beyond the Fund's control or as a result of the exercise of subscription rights, the Fund must give priority when making sales to regularising the situation taking into account the interests of its shareholders.

While ensuring observance of the principle of risk spreading, each Sub-Fund may derogate to the limits set forth above for a period of six months following the date of its authorisation.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Fund are offered or sold.

**Master-Feeder Structures**

18. Under the conditions and within the limits laid down by the Law of 2010, the Fund may, to the widest extent permitted by the Luxembourg laws and regulations, (i) create any Sub-Fund qualifying either as a Feeder Fund or as a Master Fund (ii) convert any existing Sub-Fund into a Feeder Fund, or (iii) change the Master Fund of any of its Feeder Funds.
19. A Feeder Fund shall invest at least 85% of its assets in the units or shares of another Master Fund.
20. A Feeder Fund may hold up to 15% of its assets in one or more of the following:
  - ancillary liquid assets referred to in article 41(2) second sub-paragraph of the Law of 2010;
  - financial derivative instruments which may be used only for hedging purposes.
21. For the purposes of compliance with article 42(3) of the Law of 2010 the Feeder Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the terms of second indent above with either:
  - the Master Fund actual exposure to financial derivative instruments in proportion to the Feeder Fund investments into the Master Fund; or
  - the Master Fund potential maximum global exposure to financial derivative instruments provided for in the Master Fund management regulations, or instruments of incorporation, in proportion to the Feeder Fund investment into the Master Fund.

**D. Techniques and Instruments relating to transferable securities and money market instruments**

As at the date of the Prospectus, the Sub-Funds are not investing in total return swaps and do not conclude securities' lending/borrowing transactions neither repurchase agreements nor reverse repurchase transactions within the meaning of the SFT Regulation.

Should a Sub-Fund intend to use them, the Prospectus will be updated in accordance with the SFT Regulation.

## 6. Collateral management

When calculating the counterparty risk limits laid down by article 43 of the Law of 2010, the risk exposure arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined.

The collateral used to reduce the counterparty risk exposure, when entering into OTC financial derivative transactions and efficient portfolio management techniques, should comply with the following criteria:

- a) Liquidity – any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of article 48 of the Law of 2010.
- b) Valuation – the collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- c) Issuer credit quality – the collateral received shall be of high quality.
- d) Correlation – the collateral received by the Fund shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) Collateral diversification (asset concentration) – collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value.
- f) The Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process.
- g) Where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h) The collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- i) Non-cash collateral received shall not be sold, re-invested or pledged.
- j) Cash collateral received shall only be:
  - placed on deposit with entities prescribed in article 41(1)(f) of the Law of 2010;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at

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- any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR/10-049 Guidelines on a common definition of European money market funds.

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

Subject to the above criteria, the eligible collateral includes:

- (i) cash denominated in the reference currency of the Fund (or relevant Sub-Fund) and money market instruments with an external credit rating AA- or above of the issuer;
- (ii) marketable securities representing claims on or claims guaranteed by central banks of eligible jurisdictions, non-central government public sector entities, the Bank for International Settlements, the International Monetary Fund, the European Commission, given that they are traded in large, deep and active markets characterized by a low level of concentration;
- (iii) marketable securities representing claims on or claims guaranteed by eligible jurisdictions, their central banks, non-central government public sector entities or multilateral development banks, with a credit rating of A- or above;
- (iv) shares or units issued by money market UCIs complying with the CESR/10-049 Guidelines on a common definition of European money market funds, offering a daily liquidity, calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (v) shares or units issued by UCITS offering a daily liquidity and investing mainly in bonds or shares fulfilling the two requirements below;
- (vi) debt instruments with an external rating at least equivalent to "investment grade";
- (vii) shares and convertible bonds dealt on a regulated market, on the condition that these shares are included in a main index.

For the valuation of the collateral the following haircuts will be applicable.

### Collateral Haircut

Collateral Type	Applied Haircut		
1. Cash in reference currency of the Fund	0%		
2. Cash in non-reference currencies	1% - 10%		
3. Money markets instruments with an external credit rating AA- or above <sup>1</sup>	0.5% - 2%		
4. Debt Instruments <sup>2</sup>	Residual maturity		
	Less than 1 year	1-5 years	More than 5 years

<sup>1</sup> If money market instruments are traded above the par value, a haircut will be applied to the face value of the MMI.

<sup>2</sup> If debt instrument are traded above par value, a haircut will be applied to the face value of the instruments.



## OPTIMIZE IP SICAV

Bonds issued or guaranteed by a EU Member State with an external rating at least equivalent to AA-	0.25% - 3%	2% - 5%	5% - 10%
Sovereign debt instruments with an external rating AA or above	0.25% - 3%	2% - 5%	5% - 10%
Debt instruments with an external rating A or above	1% - 5%	6% - 12%	10% - 15%
5. Shares dealt on a regulated market and included in a main index (European and US index)	15% - 25%		

At any time, relative to market conditions, if deemed necessary for the best interest of the Fund, the Management Company reserves the right to amend the above haircut level.

The Management Company may only place the cash received as collateral in:

- (i) high quality eligible sovereign debt and/or debt guaranteed by an eligible jurisdiction subject to a AAA-equivalent rating;
- (ii) any other government bonds generally considered risk-free in reference to AAA-equivalent rating;
- (iii) short term money market funds subject to a AAA-equivalent rating;
- (iv) plain vanilla corporate bonds or plain vanilla money market instruments with a short maturity (generally 3 months) from issuers in OECD member countries subject to AAA-equivalent rating.

The above provisions are in line with the ESMA 2014/937 Guidelines on ETFs and other UCITS issues. The Management Company shall at all times make sure to comply with any new requirement or amendments of the ESMA requirements upon their entering into force.

### II. BOARD OF DIRECTORS

The Board of Directors has the broadest powers to act in any circumstances on behalf of the Fund, without prejudice of the powers expressly assigned by Luxembourg law to the shareholders' meeting.

The Board of Directors is responsible for the administration and management of the assets of the Fund. It may carry out all acts of management and administration on the Fund's behalf.

### III. MANAGEMENT COMPANY

The Board of Directors has appointed, under its responsibility and its supervision, **Andbank Asset Management Luxembourg** as the management company of the Fund (the "Management Company").

Andbank Asset Management Luxembourg is a public limited company incorporated under the laws of Luxembourg, set up for an unlimited period in Luxembourg on 13 July 2009. It has its

registered office at 4, rue Jean Monnet, L-2181 Luxembourg. Its fully paid-up capital is EUR 3,000,000.-.

Andbank Asset Management Luxembourg is governed by chapter 15 of the Law of 2010 and as such is responsible for the collective management of the Fund's portfolios.

In accordance with the laws and regulations currently in force, Andbank Asset Management Luxembourg is authorised to delegate all or part of its duties and powers to any person or company which it may consider appropriate (the "representative(s)"). Andbank Asset Management Luxembourg will remain entirely liable for the actions of such representative(s).

At the date of the Prospectus, the central administration (except for the domiciliary and corporate agency function) of the Fund is delegated.

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles or the Fund's Articles.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of its shareholders, and includes measures to avoid conflicts of interest.

The variable remuneration is granted on the basis of the results of the performance assessment process. It shall be based on relevant, pre-determined and measurable criteria linked to the Management Company's corporate values, business strategy goals, long-term interests of its shareholders and clients, and risk management.

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

This remuneration policy takes into account the principle of proportionality, which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale and complexity of the Management Company business and to the nature and range of activities carried out in the course of its business.

**Disclosure in the annual report:**

Information relating to the remuneration policy shall be available in the annual report of the Management Company, as well as the annual report of the Fund.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the

remuneration committee, are available at [www.andbank.com](http://www.andbank.com) and a paper copy will be made available free of charge upon request at the Management Company's registered office.

#### IV. THE SHARES

The Fund may issue Shares of different Classes or Categories reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, Classes or Categories may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or (ii) a specific sales and redemption charge structure, and/or (iii) a specific management, performance or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) specific types of investors entitled to subscribe the relevant Classes/Categories, and/or (vi) a specific currency, and/or (vii) any other specific features applicable to one Class/Category. If Classes or Categories are defined within a Sub-Fund, such Classes or Categories will be described in the specific information relating to the relevant Sub-Fund contained in Part B of the Prospectus.

Shares in any Sub-Fund will be issued in a registered form. The Board of Directors may also at its discretion decide to issue Shares in a global bearer certificates form or in a dematerialised form within the meaning of the Articles. In such case, the form of Shares authorised in a Sub-Fund/Class or Category will be specified in Part B of the Prospectus.

Shares may also be held and treated in clearing systems.

Registered Shares will be registered in the register of shareholders. Registered shareholders will only receive a written confirmation of registration in the register of shareholders. No registered share certificates will be issued to shareholders.

Dematerialised Shares are represented by an entry in the securities account in the name of their owner or holder with an authorised account holder or a provider of settlement services. Share certificate(s) may alternatively be issued for global bearer certificates; the cost of the issue and delivery of global bearer certificates will be supported by the relevant investors.

If dematerialised Shares are issued, registered Shares may be converted into dematerialised Shares and dematerialised Shares may be converted into registered Shares at the request of the holder of such Shares. A conversion of registered Shares into dematerialised Shares will be effected by an entry in the securities account or by the issue of global bearer certificates in lieu thereof, and an entry shall be made into the register of shareholders to evidence such cancellation. A conversion of dematerialised Shares into registered Shares will be effected, if applicable, by issuance of a written confirmation in lieu thereof, and an entry shall be made into the register of shareholders to evidence such issuance. The costs of any such conversion will be borne by the shareholder requesting it.

Fractions of Shares will be issued up to five decimal places. Such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation or of any other distribution attributable to the Shares in the relevant Sub-Fund on a pro rata basis.

All Shares must be fully paid-up in cash or in kind; they are of no par value and carry no preferential or pre-emptive rights. Each Share to whatever Sub-Fund it belongs is entitled to one

vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

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

If the Shares of a Sub-Fund are listed on the Luxembourg Stock Exchange, it will be specified in Part B of the Prospectus.

## **V. PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION**

### **A. Subscription for Shares**

The Board of Directors is authorised to issue Shares of each Sub-Fund and of each Class/Category at any time and without limitation.

After the Initial Subscription Period of any Class/Category within a Sub-Fund, if any, or of any Sub-Fund (as defined in Part B of the Prospectus), the subscription price per Share in the relevant Class/Category or Sub-Fund (the "Subscription Price") is the total of the Net Asset Value per Share and the sales charge, if any, as stated in Part B of the Prospectus. The Subscription Price is available at the registered office of the Fund.

Subscriptions in any Class/Category may be subject to a minimum investment amount and/or a minimum holding requirement as stated in Part B of the Prospectus, as the case may be.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A) following receipt of the subscription form provided that such application is received by the Registrar and Transfer Agent within the relevant time limit as stated in Part B of the Prospectus. Applications received by the Registrar and Transfer Agent after the relevant time limit will be dealt with on the following Valuation Day.

Investors may be required to complete a subscription form or any other documentation satisfactory to the Fund.

Payments for Shares will be made in the currency of the relevant Class/Category.

Payments for subscriptions must be made within the time limits set out for each Sub-Fund in Part B of the Prospectus. If payment for a subscription request is received after the relevant time limit as stated in Part B of the Prospectus, the Board of Directors or its agent may process the request by (i) applying an increase which notably reflects interest owed at the usual market rates; or (ii) cancelling the Share allotment, as the case may be, accompanied by a request for compensation for any loss owing to failure to make payment before the stipulated time limit.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities or other permitted assets, in compliance with the conditions set forth by Luxembourg law, in particular the obligation for the Auditors of the Fund to deliver a valuation report and provided that such assets comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities or other permitted assets shall be borne by the relevant shareholders.

Written confirmations of shareholding will be sent to shareholders. Global Bearer certificates may be issued at the request of the relevant shareholders and at their charge.

No Shares in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by the Articles. In the case of suspension of dealings in Shares, the application will be dealt with on the first Valuation Day following the end of such suspension period.

#### **B. Prevention of Money Laundering and Terrorist Financing**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from money laundering and financing of terrorism purposes. As result of such provisions, the register and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The register and transfer agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the register and transfer agent, as delegate of the Fund, may require any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined hereafter).

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the undertaking for collective investment nor the register and transfer agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence obligations according to the relevant laws and regulations.

#### **C. Conversion of Shares**

Unless otherwise stated in Part B of the Prospectus, shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given Class/Category to Shares of the same Class/Category of another Sub-Fund (if applicable). The Board of Directors may refuse to accept a conversion application if it is detrimental to the interests of the Fund, the Sub-Funds and the Classes/Categories concerned or the relevant shareholders.

The rate at which Shares of a given Class/Category or Sub-Fund (the "original Sub-Fund or Class/Category") shall be converted into Shares of another Class/Category or Sub-Fund (the "new Sub-Fund or Class/Category") will be determined as precisely as possible and in accordance with the following formula:

$A = \frac{B \times C \times E}{D}$	
A	being the number of Shares to be allocated in the new Sub-Fund or Class/Category;
B	being the number of Shares of the original Sub-Fund or Class/Category to be converted;
C	being the prevailing Net Asset Value of the original Sub-Fund or Class/Category on the Valuation Day in question;
D	being the prevailing Net Asset Value of the new Sub-Fund or Class/Category on the Valuation Day in question; and
E	being the exchange rate applicable at the time of the transaction between the currencies of the two Sub-Funds or Classes/Categories concerned.

Conversions of Shares in any Class/Category or Sub-Fund may further be subject to a fee based on the respective Net Asset Value of the relevant Shares to the extent provided for and under the form set out in Part B of the Prospectus, as the case may be. This amount will be payable to the sales agents.

Shares may be tendered for conversion on any Valuation Day.

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

No conversion of Shares will be effected until a duly completed request for conversion of Shares has been received by the Registrar and Transfer Agent.

Fractions of Shares will be issued on conversion up to five decimal places.

Written confirmations of shareholding will be sent to shareholders. Global Bearer certificates may be issued at the request of the relevant shareholders and at their charge.

In converting Shares of a Class/Category or Sub-Fund for Shares of the same Class/Category of another Sub-Fund, a shareholder must meet the applicable minimum initial investment requirements imposed by the new Sub-Fund, if any.

If, as a result of any request for conversion, the investment held by any shareholder in a Class/Category or Sub-Fund would fall below the minimum amount, if any, as indicated in Part B of the Prospectus under the specific information for each Sub-Fund, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

Conversion restrictions

No Shares shall be converted into a given Sub-Fund, Class or Category throughout the period when the calculation of the Net Asset Value of the Shares of the said Sub-Fund, Class or Category has been temporarily suspended by the Board of Directors pursuant to the powers conferred on it by the Articles.

In accordance with Article 9 of the Articles, in the case of important conversion applications representing more than 10% of the net assets of a given Sub-Fund, the Board of Directors reserves the right to decide that all or part, on a pro rata basis for each shareholder asking for the conversion of its Shares, of such requests for conversion will be deferred and to convert the Shares only at a price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the Sub-Fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the redemption, subscription and conversion applications presented at the same time for the Sub-Fund in question.

**D. Redemption of Shares**

Each shareholder may at any time request the Fund to redeem in respect of any Valuation Day all or any of its Shares in any of the Classes/Categories or Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the Registrar and Transfer Agent.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed or the amount to be obtained from the redemption request, the relevant Class/Category and Sub-Fund, the name in which such Shares are registered and payment details.

Shareholders whose requests for redemption are accepted will have their Shares redeemed as of any Valuation Day provided that the requests have been received by the Registrar and Transfer Agent within the relevant time limit as stated in Part B of the Prospectus. Requests received by the Registrar and Transfer Agent after the relevant time limit will be dealt with on the following Valuation Day.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant Class/Category or Sub-Fund determined on the first Valuation Day following receipt of the redemption request, potentially decreased by a redemption fee as stated in Part B of the Prospectus, as the case may be (the "Redemption Price").

The Redemption Price shall be paid within the time limits set out for each Sub-Fund in Part B of the Prospectus.

Payment will be made by transfer bank order to an account indicated by the shareholder, at such shareholder's expense and risk.

Payment of the Redemption Price will be made in the currency of the relevant Class/Category.

The Fund may agree to deliver securities and/or other permitted assets against a request for redemption in kind, provided that the relevant shareholder formally agrees to such delivery, and that the conditions set forth by Luxembourg law have been respected, in particular the obligation for the Auditors of the Fund to deliver a valuation report. The value of such assets shall be determined according to the principles applied for the calculation of the Net Asset Value per Share. The Board of Directors must make sure that the redemption of such assets shall not be detrimental to the other shareholders. Any costs incurred in connection with a delivery in

kind of securities and/or other permitted assets shall be borne by the relevant shareholders.

The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

If as a result of any request for redemption, the investment held by any shareholder in a Class/Category or Sub-Fund would fall below the minimum amount indicated in Part B of the Prospectus, if any, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder in such Class/Category or Sub-Fund.

All redeemed Shares by the Fund will be cancelled.

Redemption restrictions

No Shares shall be redeemed in a given Sub-Fund, Class or Category throughout the period when the calculation of the Net Asset Value of the Shares of the said Sub-Fund, Class or Category has been temporarily suspended by the Fund under the powers conferred on it by the Articles. In accordance with the Articles, in the case of important redemption requests representing more than 10% of the net assets of a given Sub-Fund, the Board of Directors reserves the right to decide that all or part, on a pro rata basis for each shareholder asking for the redemption of its Shares, of such requests for redemption will be deferred and to redeem the Shares only at a Redemption Price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the Sub-Fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the redemption, subscription and conversion applications presented at the same time for the Sub-Fund in question.

Under special circumstances including, but not limited to, default or delay in payments due to the relevant Sub-Fund from banks or other entities, the Fund may, in turn, delay all or part of the payment to shareholders requesting redemption of Shares in the Sub-Fund concerned. The right to obtain redemption is contingent upon the Sub-Fund having sufficient liquid assets to honour redemptions.

Compulsory redemption

Redemption of Shares may be carried out in the manner described in this Part A in Chapter XV "General Information" Section D "Liquidation, Merger and Split of Sub-Funds, Classes or Categories".

The introduction of the Prospectus and the Articles contain provisions enabling the Fund to compulsorily redeem Shares held by US persons.

**E. Protection against Late Trading and Market Timing practices**

"Late Trading" is understood to be the acceptance of a subscription (or conversion or redemption) order after the applicable cut-off time on the relevant Valuation Day and the execution of such order at a price based on the Net Asset Value applicable for such same day. Late Trading is strictly forbidden.

"Market Timing" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares within a short time period, by taking



advantage of time differences and/or imperfections of deficiencies in the method of determination of the Net Asset Value of a given Sub-Fund. Market Timing practices may disrupt the investment management of the Sub-Fund and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued, redeemed and converted at an unknown price and neither the Fund will accept orders received after the relevant cut-off time.

The Fund reserves the right to refuse dealing orders with respect to a Sub-Fund by any person who is suspected of Market Timing activities and to take appropriate measures to protect other investors of the Fund.

The Registrar and Transfer Agent shall put in place adequate procedures in order to ensure that subscription, redemption and conversion applications are received before the deadline for accepting orders in relation to the applicable Valuation Day. Subscription, redemption and conversion instructions are executed at an unknown Net Asset Value.

**F. Suspension and rejection of subscriptions**

The Board of Directors may suspend or interrupt, without prior notice, the issue of the Shares in one, several or all of the Sub-Funds, Classes or Categories at any time. It may do so particularly in the circumstances described under Chapter VI. "Determination of the Net Asset Value", Section B "Temporary Suspension of the Calculation". Moreover, it reserves the right, without having to give reasons for its decision, to:

- reject any subscription;
- redeem at any time Shares in the Fund that were unlawfully subscribed or are unlawfully held.

When, after a suspension of the issue of Shares of one or more Sub-Funds for any period of time, the Board of Directors decides to resume such issue, all pending subscriptions will be processed on the basis of the same Net Asset Value per Share determined after calculation of the Net Asset Value is resumed.

**VI. DETERMINATION OF THE NET ASSET VALUE**

**A. Calculation and Publication**

The Net Asset Value per Share of each Class/Category in respect of each Sub-Fund (the "NAV" or the "Net Asset Value") is calculated in Luxembourg by the Administrative Agent. The Net Asset Value of each Class/Category in respect of each Sub-Fund or of each Sub-Fund shall be determined in the currency of that Class/Category or in the currency of the relevant Sub-Fund as specified in Part B of the Prospectus.

The Net Asset Value will be calculated with 4 decimals.

The Net Asset Value is calculated as of the day specified for each Sub-Fund in Part B of the Prospectus ("Valuation Day") on the basis of the prices available on that Valuation Day, as published by the stock exchanges or regulated markets concerned and with reference to the value of assets owned on behalf of the relevant Sub-Fund, according to the Articles.

The Net Asset Value per Share shall be determined by dividing the net assets of the Fund attributable to such Class/Category in that Sub-Fund or to such Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such Class/Category or to such Sub-Fund on any such Valuation Day), as determined in accordance with applicable generally accepted Luxembourg accounting principles, by the total number of Shares in the relevant Class/Category in a Sub-Fund or in the relevant Sub-Fund then outstanding.

If, since the time of determination of the Net Asset Value on the relevant Valuation Day, there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class/Category in respect of a Sub-Fund or to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value is determined on the basis of the value of the underlying investments of the relevant Sub-Fund, as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid 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 any security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.
- (c) The value of any security or other asset which is dealt in on any other regulated market will be based on its last available price in Luxembourg.
- (d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other regulated market, or if, with respect to assets listed or dealt in on any stock exchange or on any other regulated market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) Units of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price is not, in the opinion of the Board of Directors, representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis.
- (f) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on stock exchanges and regulated markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, 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 Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.
- (g) The value of money market instruments not traded on stock exchanges nor on other regulated markets and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
  - (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve.
  - (i) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

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

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

***As regard relations among the shareholders themselves and between the shareholders and third parties, each Sub-Fund shall be considered as a separate entity and shall only be responsible for the liabilities which are attributable to such Sub-Fund.***

The value of all assets and liabilities not expressed in the currency of the relevant Class/Category or in the currency of the relevant Sub-Fund will be converted into the currency of the relevant Class/Category or in the currency of the relevant Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, in its discretion but in accordance with applicable generally accepted Luxembourg accounting principles, may permit some other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets of the Fund.

The Net Asset Value and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund, and will be published in such newspapers as determined for each Sub-Fund by the Board of Directors and specified in Part B of the Prospectus, as the case may be.

**B. Temporary Suspension of the Calculation of the Net Asset Value and the issue, redemption and conversion of Shares**

In each Sub-Fund, the Fund may temporarily suspend the calculation of the Net Asset Value and the issue, redemption and conversion of Shares:

- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to the relevant Sub-Fund

- from time to time are quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to the relevant Sub-Fund would be impracticable; or
  - c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the relevant Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund; or
  - d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
  - e) when for any other reason beyond the control and responsibility of the Board of Directors the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained; or
  - f) upon the notification or publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund; or
  - g) during any period when the market of a currency in which a substantial portion of the assets of the Sub-Fund is denominated is closed otherwise than for ordinary holidays, or during which dealings therein are suspended or restricted; or
  - h) during any period when political, economic, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the Net Asset Value of the Sub-Fund in a normal and reasonable manner; or
  - i) during any period when the calculation of the net asset value per unit of a substantial part of undertakings for collective investment in which the Sub-Fund is investing in, is suspended and this suspension has a material impact on the Net Asset Value in the Sub-Fund.

Any such suspension shall be notified by the Fund to all the shareholders, if appropriate, and may be notified to 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, the issue, redemption and conversion of Shares of any other Sub-Fund not affected by the same circumstances.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value in the relevant Sub-Fund, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

## **VII. DISTRIBUTION POLICY**

The distribution policy of each Sub-Fund will be described in the specific information contained in Part B of the Prospectus.

However the Board of Directors may at any time and at its own discretion decide to create within a Sub-Fund or within a Class two Categories, one Category entitling the holders thereof to receive a distribution (a "Distribution Category") and another Category capitalizing its entire earnings (a "Capitalization Category"). These Categories will be indicated in the specific information contained in Part B of the Prospectus.

**A. Principle for Distribution Categories**

The general meeting of shareholders shall decide, upon proposal of the Board of Directors and after closing the annual accounts, whether and to what extent distributions are to be paid out of investment income, realised gains and potentially net assets in the relevant Sub-Fund(s). The payment of distributions shall not result in the Net Asset Value of the Fund falling below the minimum capital amount prescribed by law.

The Board of Directors may, at its discretion, pay interim dividends.

**B. Payment**

Shareholders shall be paid by bank transfer in accordance with their instructions.

Payment will be made in the currency of the relevant Class/Category of the relevant Sub-Fund.

Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the relevant Sub-Fund(s). If the Sub-Fund in question has already been liquidated, the distributions and allocations will accrue to the remaining Sub-Funds of the Fund in proportion to their respective net assets.

**VIII. CHARGES AND EXPENSES**

**A. General**

The Fund pays out of its assets all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to the relevant supervisory authorities, fees payable to its Management Company, Investment Managers and Advisors, including performance fees, if any, fees and expenses payable to its Depositary and correspondents, Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent, Listing Agent, any Paying Agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and officers of the Fund and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services, any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants, any expenses incurred in connection with legal proceedings involving the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, share certificates, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, expenses in relation of the marketing, promotion and development of the Fund i.e. "marketing costs", setting up costs, all other operating expenses, including the cost of buying and selling assets, interest, bank and

brokerage charges, postage and telephone charges and winding-up costs. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateable for yearly or other periods.

In the case where any liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds pro rata to their Net Asset Value or in such other manner as determined by the Board of Directors acting in good faith.

**B. Formation Expenses**

Expenses incurred in connection with the incorporation of the Fund including those incurred in the preparation and publication of the first Prospectus and constitutive documents, as well as the taxes, duties and any other incorporation and publication expenses, are estimated at EUR 58 350.- and may be amortized over a maximum period of five years.

Expenses incurred in connection with the creation of any additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Funds shall not bear a pro rata of the costs and expenses incurred in connection with the creation 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(s).

**C. Fees to be paid to the service providers**

**1. Fees of the Management Company**

The Management Company is entitled to a management company fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund at a rate of 0.15% from 0 to 20 Mio EUR, and 0,10% starting from 20 Mio EUR p.a. with a minimum up to 19.000 EUR p.a.

**2. Fees of the Investment Manager**

The Investment Manager(s) are entitled to receive from each Sub-Fund an investment management fee as determined in Part B of the Prospectus for each Sub-Fund.

**3. Fees of the Investment Advisor**

The Investment Advisor(s) (if any) are entitled to receive from each Sub-Fund an advisory fee as determined in Part B of the Prospectus for each Sub-Fund.

**4. Fees of the Depositary**

The Depositary will receive, out of the assets of each Sub-Fund, a remuneration calculated in accordance with customary banking practice in Luxembourg and expressed as a percentage per annum based on the net assets at the end of the relevant month and payable monthly in arrears.

The Depositary is currently paid at the following rates:

- 0.06% per annum on the first EUR 75 million of average net assets;
- 0.045% per annum on the average net assets between EUR 75 million and EUR 250 million;
- 0.03% per annum on the average net assets over EUR 250 million.

This remuneration is subject to an annual minimum of up to EUR 8,500 per Sub-Fund.

#### **5. Fees of the Domiciliary and Corporate Agent**

The Domiciliary and Corporate Agent will receive from the Fund a remuneration in accordance with customary practice in Luxembourg and expressed as a flat fee payable yearly in advance.

The domiciliary fee amounts to up to EUR 5,000.- per annum for the Fund per Sub-Fund.

#### **6. Fees of the Administrative Agent and Registrar and Transfer Agent**

The Administrative Agent and the Registrar and Transfer Agent will receive from the Management Company at the charge of the Fund, out of the assets of each Sub-Fund, a remuneration calculated in accordance with customary practice in Luxembourg and expressed as a percentage per annum of the average monthly net assets thereof during the month under review and payable monthly in arrears.

They are currently paid at the following rates:

- a fixed fee of up to 20,500 EUR per Sub-Fund, and
- 0.016% per annum on the first EUR 50 million of average net assets; or
- 0.014% per annum on the average net assets between EUR 50 million and EUR 100 million; or
- 0.001% per annum on the average net assets between EUR 100 million and EUR 250 million; or
- 0,0025% per annum over EUR 250 million.

#### **7. Fees of distributor(s)**

Distribution fees (if any) will be paid out of the management company fee or the investment management fee. In case distributor(s) are paid out of the assets of the Fund, the relevant distribution fee will be disclosed in Part B of the Prospectus for each Sub-Fund.

#### **8. Other expenses**

In addition, the Management Company, the Investment Manager(s) (if any), the Investment Advisor, distributor(s)(if any), the Depositary, the Domiciliary and Corporate Agent, the Administrative Agent and the Registrar and Transfer Agent are entitled to be reimbursed by the Fund for their reasonable out-of-pocket expenses and disbursements.

Their remuneration will be accrued in the accounts of the Fund on each Valuation Day.

**IX. DEPOSITARY AND PAYING AGENT**

Quintet Private Bank (Europe) S.A has been appointed as depositary ("Depositary") of the assets of the Fund.

Quintet Private Bank (Europe) S.A is a credit institution which was incorporated on 23 May 1949 as a public limited liability company (*société anonyme*) under Luxembourg law, having its registered office at 43, Boulevard Royal, L-2955 Luxembourg and being registered with the RCS under number B 6395. On 31 December 2016, the capital and reserves of Quintet Private Bank (Europe) S.A amounted to EUR 1,330,318,462.10.

Pursuant to a depositary agreement dated as of 27 November 2017 (the "Depositary Agreement"), Quintet Private Bank (Europe) S.A will carry out its functions and responsibilities in accordance with the provisions of the UCITS Directive and the Law of 2010.

The Depositary will further, in accordance with the UCITS Directive:

- a) ensure that the sale, issue, redemption, conversion and cancellation of shares of the Fund are carried out in accordance with the applicable Luxembourg law and the Articles;
- b) ensure that the value of the shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
- c) carry out the instructions of the Management Company or the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
- d) ensure that in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits;
- e) ensure that the income attributable to the Fund is applied in accordance with the applicable Luxembourg Law and the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of shares of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- a) opened in the name of the Fund or the Management Company on behalf of the Fund or of the Depositary acting on behalf of the Fund;
- b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC; and
- c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- a) for financial instruments that may be held in custody, the Depositary shall:
  - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles



- set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- b) for other assets, the Depositary shall:
- (i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
  - (ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the UCITS Directive.

In accordance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, the Depositary may delegate to third parties certain functions referred to in the above paragraphs, provided that the conditions set out in the UCITS Directive are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Directive and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on [https://www.quintet.com/group\\_luxembourg/media/documents/quintet-luxembourg-private-bank-list-of-sub-custodians-update-08-2020.pdf](https://www.quintet.com/group_luxembourg/media/documents/quintet-luxembourg-private-bank-list-of-sub-custodians-update-08-2020.pdf) and is made available to investors free of charge upon request.

*Conflicts of interests:*

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

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

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible for taking all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have

regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the Depositary Agreement, the Depositary will notify the conflicts of interests and/or its source to the Fund, which shall take appropriate action.

Furthermore the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

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

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

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the list will be updated accordingly):

- Conflicts of interests between the Depositary and the Sub-Custodian:
  - The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.
- The Depositary has a significant shareholder stake in European Fund Administration S.A. and some members of the staff of the Depositary are members of European Fund Administration S.A.'s board of directors.
  - The staff members of the Depositary in European Fund Administration S.A.'s board of directors do not interfere in the day-to-day management of European Fund Administration S.A. which rests with European Fund Administration S.A.'s management board and staff. European Fund Administration S.A., when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.
- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within Quintet).

- The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with the UCITS Directive. 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.

For other assets, the Depositary shall be liable only in case of negligence or intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into for an unlimited period of time from the date of its signature. The Fund and the Depositary may terminate the Depositary Agreement on ninety (90) calendar days' prior written notice; provided, inter alia, that a new depositary assumes the responsibilities and functions of the Depositary and that the prior approval of the home regulator of the Fund has been obtained, being understood that such appointment shall happen within two months. The Depositary shall, if terminated by the Fund, however continue thereafter for such period as may be necessary for the complete delivery or transfer of all assets held by it.

The rights and duties of Quintet Private Bank (Europe) S.A. as Paying Agent are governed by the Paying Agency Agreement entered into for an unlimited period of time from the date of its signature. As principal paying agent Quintet Private Bank (Europe) S.A will be responsible for distributing income and dividends, if applicable, to the shareholders.

#### **X. DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT**

The Management Company acts as the domiciliary and corporate agent (the "Domiciliary and Corporate Agent") for the Fund. In such capacity, it will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents to the shareholders.

The Management Company has delegated, under its control and responsibility, its other central administration functions consisting of administrative and registrar and transfer agency functions in accordance with the provisions of article 110 of the Law of 2010.

The Management Company has appointed **European Fund Administration S.A.** as the administrative agent (the "Administrative Agent") and registrar (the "Registrar") and transfer Agent (the "Transfer Agent") for the Fund. In its capacity as Administrative Agent, it will be responsible for all administrative duties required by Luxembourg law, and in particular for the bookkeeping and the calculation of the Net Asset Value per Share of any Class/Category within each Sub-Fund or of any Sub-Fund. In its capacity as Registrar and Transfer Agent, it will be responsible for handling the processing of subscriptions for Shares, dealing with requests for

redemptions and conversions and accepting transfers of funds, for the safekeeping of the register of shareholders of the Fund.

#### XI. INVESTMENT MANAGER AND INVESTMENT ADVISOR

The Management Company has appointed Optimize Investment Partners SGOIC, SA ("**Optimize**") as investment manager of the Fund in respect of each Sub-Fund (the "**Investment Manager**").

Optimize is a financial company incorporated in, and existing under the laws of Portugal. Optimize was incorporated in 2008 to provide Management of undertakings for collective investment in securities and portfolio management. Optimize is regulated by the Portuguese Securities Market Commission (CMVM). As at the end of November 2019, Optimize had assets under management of EUR 164 million. Details about Optimize can be found on its website [www.optimize.pt](http://www.optimize.pt)

The Investment Manager may sub-delegate its powers subject to the prior approval of the Management Company.

In addition, the Management Company and/or the Investment Manager(s) may be assisted by one or several investment advisors for each Sub-Fund (individually the "Investment Advisor" and collectively the "Investment Advisors"). An Investment Advisor may so be designated to provide investment advice on any particular category of assets of any Sub-Fund when it is considered that such an investment advisor has specific knowledge and skills in the contemplated assets. Neither the Management Company nor the Investment Manager(s) as the case may be, will be bound by the advice provided by the Investment Advisor as the case may be.

The appointment of an Investment Manager and/or of an Investment Advisor (if any) will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

#### XII. DISTRIBUTORS

The Management Company may decide to appoint distributors/nominees or capital/business introducers for the purpose of assisting it in the distribution of the Shares provided that they are duly licensed (if necessary) to carry out the relevant services in any relevant jurisdiction.

The distributor will carry out activities of marketing, placement and sale of Shares of the Fund. The distributor may intervene in the relationship between the investors and the Fund in collecting subscription orders for Shares. Subject to the provisions of the relevant distribution agreement, such distributor may be authorised to receive the subscription, redemption and conversion orders from the investors for the account of the Fund, and to offer Shares at a price based on the applicable Net Asset Value per Share increased, as the case may be, by a sales charge. The distributor will transmit to the Registrar and Transfer Agent any application for subscription, redemption and conversion of Shares. The distributor may also be entitled to receive and execute the payment of the issue, redemption and conversion orders of Shares.

If the distributor acts as nominee, it will be recorded in the register of shareholders instead of the clients who have invested in the Fund. The terms and conditions of the distribution agreement will stipulate, amongst other things, that a client who has invested in the Fund via a nominee may, at any time, require that the Shares thus subscribed be transferred to his/her/its name, as a result of which the client will be registered under his/her/its own name in the

register of shareholders with effect from the date on which the transfer instructions are received from the nominee.

Investors may subscribe for Shares by applying directly to the Fund without having to subscribe through one of the distributors/nominees, unless a nominee's services are essential or mandatory under the applicable laws or regulations or for practical reasons.

Distributors may, at their own expense, control, supervision and ultimate responsibility, but always subject to prior authorisation of the Management Company, appoint sub-distributors for the purpose of distributing Shares.

### XIII. AUDITORS

Deloitte Audit S.à r.l. has been appointed as the Fund's Auditors and shall fulfil all duties prescribed by the Law of 2010.

### XIV. TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

#### **Taxation of the Fund**

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

A EUR 75.- registration tax is to be paid upon incorporation and each time the Articles of the Fund are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Fund is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its Net Asset Value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% *per annum* is applicable to Luxembourg UCITS whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both.

A reduced subscription tax rate of 0.01% per annum is applicable to UCITS individual compartments of UCITS with multiple compartments, as well as for individual classes of securities issued within a UCITS or within a compartment of a UCITS with multiple

compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to:

- (i) investments in a Luxembourg UCI subject itself to the subscription tax;
- (ii) UCIs, compartments thereof or dedicated classes reserved to retirement pension schemes;
- (iii) any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes/Categories are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Classes/Categories meeting (i) above will benefit from this exemption;
- (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds; and
- (v) UCIs and individual compartments thereof with multiple compartments whose main objective is the investment in microfinance institutions.

#### **Withholding tax**

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

#### **Taxation of the Shareholders**

##### **Luxembourg resident individuals**

Capital gains realised on the sale of the Shares by Luxembourg resident Individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Fund.

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 45.78%.

### **Luxembourg resident corporate**

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 24.94%% (in 2019 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Fund.

Luxembourg corporate resident Investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the 2010 Law, (ii) specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds, (iii) reserved alternative investments funds subject to the law of 23 July 2016 on reserved alternative investment funds or (iv) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) an UCI subject to the 2010 Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company governed by the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialised investment fund subject to the law of 13 February 2007 on specialised investment funds, (v) reserved alternative investments funds subject to the law of 23 July 2016 on reserved alternative investment funds or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### **Non Luxembourg residents**

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will *inter alia* be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will *inter alia* be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

## XV. GENERAL INFORMATION

### A. Corporate Information

The Fund was incorporated for an unlimited period of time in Luxembourg on 26 October 2020 and is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, and by the Law of 2010.



The registered office of the Fund is established at 4, rue Jean Monnet, L-2181 Luxembourg Luxembourg.

The Fund is registered at the "*Registre de Commerce et des Sociétés*" of Luxembourg under the number B 249133.

The Articles were last amended on 16 June 2022 and are deposited with the *Registre de Commerce et des Sociétés* where copies thereof may be obtained. The consolidated articles of incorporation have been published in the "*Recueil Electronique des Sociétés et Associations*" (the "RESA") on 28 July 2022.

The minimum capital of the Fund as provided by law, which must be achieved within 6 months from the date on which the Fund has been authorised as an undertaking for collective investment under Luxembourg law, is EUR 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 EUR 30,000.

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

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio 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.

The Board of Directors of the Fund may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

**B. Meetings of, and Reports to, shareholders**

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the RESA and in any Luxembourg and other newspaper(s) that the Board of Directors may determine. Such notices will indicate the date and time of the meeting as well as the agenda, the quorum requirements and the conditions of admission.

If all the Shares are only issued in registered form, convening notices may be mailed by registered mail to each registered shareholder without any further publication.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditors.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The first audited report published will be an audited annual report dated as of 31 December 2021. The first unaudited report will be an interim report dated as of 30 June 2021.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year. The first accounting year commences on the date of incorporation of the Fund and ends on 31 December 2021.

The annual general meeting of shareholders takes place in Luxembourg City at a place and time as decided by the board of directors but no later than within 6 months from the end of the Fund's previous accounting year and for the first time in 2022.

The shareholders of any Sub-Fund, Class or Category may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund, Class or Category.

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.

The combined accounts of the Fund shall be maintained in EUR being the currency of the Fund. The financial statements relating to the various separate Sub-Funds shall also be expressed in the relevant Currency for the relevant Classes/Categories or in the currency of the relevant Sub-Funds.

## **C. Dissolution and Liquidation of the Fund**

### **1. Introduction**

The Fund may be dissolved on a compulsory or voluntary basis.

The Fund shall, after the dissolution, be deemed to exist for the purpose of liquidation. In case of a voluntary liquidation, the Fund remains subject to the supervision of the CSSF.

After the close of liquidation, the sums and assets not claimed by a shareholder will be deposited in escrow at the *Caisse de Consignation* on behalf of the persons entitled thereto. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

### **2. Voluntary liquidation**

Should the Fund be voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010 and the Luxembourg law of 10 August 1915 on commercial

companies, as amended. These laws specify the procedure to be followed and the steps to be taken.

The Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Moreover, if the capital of the Fund falls below two-thirds of the minimum required capital, i.e. currently EUR 1,250,000.-, the Board of Directors must submit the question of the dissolution of the Fund to the general meeting of shareholders for which no quorum will be required and which will decide by a simple majority of the votes of the Shares present or represented at the meeting. If the capital of the Fund falls below one-fourth of the required minimum, the Board of Directors must submit the question of the dissolution of the Fund to the general meeting of shareholders for which no quorum will be required; dissolution may be decided by the shareholders holding one-fourth of the votes of the Shares present or represented at the meeting. The meeting must be convened so that it is held within a period of forty days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

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

### **3. Compulsory liquidation**

Should the Fund be compulsorily liquidated, its liquidation will be carried out exclusively in accordance with the provisions of the Luxembourg commercial code, which specifies the procedure to be followed and the steps to be taken.

## **D. Liquidation, Merger and Split of Sub-Funds, Classes or Categories**

### **1. Liquidation of Sub-Funds, Classes or Categories**

The Board of Directors may decide to liquidate a Sub-Fund or a Class/Category by carrying out a compulsory redemption of all the Shares issued in such Sub-Fund or such Class/Category at the Net Asset Value per Share (taking into account actual realization prices of investments, realization expenses and the costs of liquidation) applicable on the Valuation Day at which such decision shall take effect if the net assets of the said Sub-Fund or the said Class/Category have decreased to, or have not reached, an amount under which the Sub-Fund can no longer be managed efficiently or if a change in the economic or political situation relating to the Sub-Fund or the Class/Category concerned has an influence on that Sub-Fund or that Class/Category, justifying such a liquidation in order to proceed to an economic rationalization, or if the interests of the shareholders so justify.

Such a liquidation decision shall be published and notified to the shareholders of the Sub-Fund or of the Class/Category before the effective date for the compulsory redemption. The notice shall indicate the reasons for, and the procedure of the liquidation. Owners of registered Shares shall be notified in writing and the Fund shall inform holders of global bearer certificates and dematerialised Shares by publication of a notice in one or more Luxembourg newspapers and in one or more national newspapers in the countries where the Shares are distributed, as determined by the Board of Directors. Unless the Board of Directors decides otherwise in the

interest of shareholders or to ensure an equitable treatment between them, the shareholders of the Sub-Fund or of the Class/Category concerned may continue to request the redemption or conversion of their Shares, free of charge, before the liquidation coming into force on the basis of the applicable Net Asset Value per Share, taking into account an estimation of the liquidation costs.

The Fund shall reimburse each shareholder proportionally to the number of Shares held in the Sub-Fund or in the Class/Category.

Liquidation proceeds which may not be distributed to their beneficiaries upon the implementation of the liquidation will be deposited with the Depositary for a period of nine months as from the date of the decision on liquidation; after such period, the assets shall be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

## **2. Merger of Sub-Funds, Classes or Categories**

The Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund (the 'new Sub-Fund') and to re-designate the Shares of the Classes concerned as Shares of the new Sub-Fund. The Board of Directors may also decide to allocate the assets of any Sub-Fund to another undertaking for collective investment organised under the provisions of Part I of the Law of 2010 or under the legislation of a Member State of the European Union, or of the European Economic Area, implementing the UCITS Directive.

The Board of Directors may also decide to submit the decision for a merger to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the Law of 2010 and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## **3. Split of Sub-Funds, Classes or Categories**

Any split or consolidation of a Sub-Fund/Class of shares shall be decided by the Board of Directors unless the Directors decide to submit the decision for a split/consolidation to a meeting of shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

**PART B - SPECIFIC INFORMATION**

*This specific Part B describes the particularities of the Sub-Funds of OPTIMIZE IP SICAV. It is part of the Prospectus. Therefore, all information given herein should be considered in connection with the Prospectus and its Part A.*

**I. OPTIMIZE IP SICAV – OPTIMIZE GLOBAL BOND FUND**

**Investment Objective and Policy**

The Sub-Fund seeks to provide investors with an investment option based on a careful selection of fixed income securities (including but not limited to government bonds, corporate bonds, junior debt securities, convertible bonds and contingent convertible bonds), with the objective of achieving a positive long-term absolute return.

In pursuance of its objective, the Sub-Fund will directly or indirectly invest more than 80% of its assets in bonds.

At least 50% of the Sub-Fund's net assets will be invested in investment grade bonds with a lower credit risk, issued or guaranteed by public entities of the European Union, or public and private issuers with an investment grade rating of at least one of the leading rating agencies (BBB- by Standard & Poor's or Fitch Ratings, Baa3 by Moody's). Where an obligation ceases to be rated "investment grade" by all major rating agencies (BBB- by Standard & Poor's or Fitch Ratings, Baa3 by Moody's), it will no longer be considered for the minimum limit of 50% of bonds with lower credit risk, and the manager shall make any changes to the portfolio of the Sub-Fund necessary to comply with this limit with the smallest delay as possible in the best interest of shareholders.

As an element of diversification from traditional fixed income securities and complementing the strategy in search of an attractive risk-adjusted return for the shareholders, the Sub-Fund may also invest up to 5% of its net assets in convertible bonds and up to 15% in contingent convertible bonds that is, in aggregate 20% (the average exposure considering both asset classes will be around 10%) from highly liquid instruments issued essentially from well-recognized credit institutions, rated at least as investment grade by one of the leading rating agencies (Moody's, Standard & Poors or Fitch Ratings), notwithstanding the issue rating might be lower than the issuer rating.

The Sub-Fund may invest in assets denominated in currencies other than the Euro. The Sub-Fund will not regularly cover foreign exchange risk on investments in assets not denominated in Euro. The Investment Manager may, however, decide to carry out, periodically, a full or partial coverage of the foreign exchange risk of the investment portfolio.

The Sub-Fund may invest up to 10% of its net assets in other UCITS and/or other UCIs.

The Sub-Fund may use financial derivative instruments for both hedging and/or investment purposes. The types of derivatives may include, but are not limited to, single stock and equity index futures and options, currency futures and forwards and OTC derivatives.

Notwithstanding the above provisions and in exceptional market circumstances, the Sub-Fund may invest its net assets on a temporary basis exclusively in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and

whose maturity does not exceed 12 months.

### **Benchmark**

The Sub-Fund does not use a benchmark.

### **Classes of Shares**

Class A EUR: Accumulation Shares dedicated to retail investors

Class B EUR: Accumulation Shares dedicated to institutional investors

Class A USD: Accumulation Shares dedicated to retail investors

Class B USD: Accumulation Shares dedicated to institutional investors

Class A EUR Shares and Class A USD Shares are available for retail investors investing at least EUR 100 and USD 100 respectively

Class B EUR Shares and Class B USD Shares are available for institutional investors investing at least EUR 100,000 and USD 100,000 respectively

### **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 "Special Risk Factors", the following risk factors may affect the performance of the Sub-Fund:

### **Specific Risk Considerations**

In addition to general risk factors listed in Part A of the Prospectus, the risks listed below are the main specific risks of the Sub-Fund. Investors should be aware that other risks may also be relevant to this Sub-Fund from time to time. Please refer to Chapter I "Investment Objectives, Policies and Restrictions", Section A "General Provisions", point "4. Risk Factors" for a full description of these risks:

**Market Risk:** Markets may fluctuate significantly with prices rising and falling sharply or even be reduced to zero, and this will have a direct impact on the Sub-Fund's Net Asset Value. This also means that when the equity markets are extremely volatile the Sub-Fund's Net Asset Value may fluctuate substantially.

**Credit risk:** Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which are explained by macro-economic factors.

**Currency risk:** The Sub-Fund holds assets denominated in currencies other than its Reference Currency. It may be affected by changes in exchange rates between the Reference Currency and these other currencies or by changes to exchange control regulations.

Use of derivatives: 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.

Use of hedging strategies: The currency hedging that may be used to minimize the effect of currency fluctuations may not always be successful.

Risks related to investments in convertible bonds.

Risk related to Investments in contingent convertible bonds.

## **SFDR**

The Investment Manager decides not to currently consider the adverse effects of investment decisions on sustainability factors for the Sub-Fund as defined in Article 7 (2) of the SFDR Regulation.

As per the current investment strategy and the composition of the portfolio, the Investment Manager assesses that such impact deems not to be relevant and does not currently have the capabilities for collecting ESG elements for determining and weight with more accuracy the negative sustainability effects.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **Typical Investor's Profile**

This Sub-Fund targets retail and institutional investors who are advised to invest only part of their assets therein.

The recommended investment horizon is 3 years or longer.

## **Reference Currency and Currencies of the Relevant Classes/Categories**

The reference currency of the Sub-Fund is Euro.

The reference currency of Class A EUR and Class B EUR is Euro.

The reference currency of Class A USD and Class B USD is USD.

## **Activation of the Share Class**

Class A EUR in the Sub-Fund Optimize Global Bond Fund as absorbing Sub-Fund with ISIN code LU2215411468, will be activated with effective date 15 October 2021 upon the cross-border merger with the Fund Optimize Obrigações, as absorbed Fund with ISIN code PTOPZHMM0006.

## **Frequency of the Net Asset Value per Share (NAV) calculation and Valuation Day**

For each Business Day ("Valuation Day"), there is a corresponding Net Asset Value per Share in each Class which is dated that Valuation Day and calculated and published on the following Business Day(s) after that Valuation Day.

**Publication of the NAV**

The Net Asset Values and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

**Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund are not currently admitted to official listing on the Luxembourg Stock Exchange.

**Procedures for Subscription, Redemption and Conversion (if any)**

Applications for subscription must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

Applications for conversion or redemption must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value. The Net Asset Value will be published on the Business Day after the Valuation Day on the basis of the closing price of the Valuation Day.

Applications for the shares of the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Payments for subscriptions shall be made on the cut-off day i.e. one Business Day preceding the relevant Valuation Day unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Subscription orders must be expressed as monetary figures and not as a number of Shares.

Payments for redemptions shall be made within three Business Days following the relevant Valuation Day, provided that the Fund has received all the required documents, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

The Board of Directors may, in their absolute discretion, refuse to redeem Shares when the redemption request relate to more than 10% of the Net Asset Value of the Sub-Fund on any applicable Valuation Day. In this event, the limitation will apply pro rata so that all shareholders wishing to have their Shares redeemed on that Valuation Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next applicable Valuation Day and all following applicable Valuation Days until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrative Agent will inform the shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent applicable Valuation Day, still subject to the aforementioned 10% limit.



### Subscription, Redemption and Conversion Fees

*Subscription fee:* none

*Redemption fee:* none

*Conversion fee:* none

### Investment Management Fees

The Investment Manager is entitled to an investment management fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund, respectively the relevant Class within the Sub-Fund, at a rate of up to:

A EUR: 0.85% p.a.

A USD: 0.85% p.a.

B EUR: 0.75% p.a.

B USD: 0.75% p.a.

The investment management fee will be payable whether or not the management of the relevant Sub-Fund is profitable.

The Investment Manager may, at its sole discretion, pay a portion of the Investment Management Fee to intermediaries or placement agents.

### ISIN Codes

Class	ISIN Code
Class A EUR	LU2215411468
Class A USD	LU2215411625
Class B EUR	LU2215411542
Class B USD	LU2215411898

## II. OPTIMIZE IP SICAV –OPTIMIZE EUROPE VALUE FUND

### Investment Objective and Policy

The Sub-Fund pursues a flexible investment policy and its portfolio may vary at any time, although the Investment Manager will endeavor to compose by a portfolio which is balanced between equity and fixed income.

The portfolio of the Sub-Fund will mainly be composed of the following instruments, which are European assets admitted to trading in Europe (Euro Zone and non-Euro Zone):

- i. Equity (directly or via UCITS and/or other UCIs);
- ii. Fixed income (directly or via UCITS and/or other UCIs);
- iii. Floating-rate bonds or floating-rate UCITS;
- iv. Money market instruments

The Sub-Fund may invest up to 10% of its net assets in other UCITS and/or UCIs.

In addition to the aforementioned securities, the Sub-Fund may also invest in bonds whose valuation basis is based on the use of one or more derivative instruments in order to capture the risk profile associated with a particular market or the expected returns of that market, in accordance with the expectations of the Investment Manager.

The Sub-Fund may use financial derivative instruments for both hedging and/or investment purposes. The types of derivatives may include, but are not limited to, single stock and equity index futures and options, currency futures and forwards and OTC derivatives.

Notwithstanding the above provisions and in exceptional market circumstances, the Sub-Fund may invest its net assets on a temporary basis exclusively in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and whose maturity does not exceed 12 months.

### Benchmark

The Sub-Fund does not use a benchmark.

### Classes of Shares

Class A EUR: Accumulation Shares dedicated to retail investors

Class B EUR: Accumulation Shares dedicated to institutional investors

Class A USD: Accumulation Shares dedicated to retail investors

Class B USD: Accumulation Shares dedicated to institutional investors

Class A EUR Shares and Class A USD Shares are available for retail investors investing at least EUR 100 and USD 100 respectively

Class B EUR Shares and Class B USD Shares are available for institutional investors investing at least EUR 100,000 and USD 100,000 respectively

## **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 "Special Risk Factors", the following risk factors may affect the performance of the Sub-Fund:

### **Specific Risk Considerations**

In addition to general risk factors listed in Part A of the Prospectus, the risks listed below are the main specific risks of the Sub-Fund. Investors should be aware that other risks may also be relevant to this Sub-Fund from time to time. Please refer to Chapter I "Investment Objectives, Policies and Restrictions", Section A "General Provisions", point "4. Risk Factors" for a full description of these risks:

**Market Risk:** Markets may fluctuate significantly with prices rising and falling sharply or even be reduced to zero, and this will have a direct impact on the Sub-Fund's Net Asset Value. This also means that when the equity markets are extremely volatile the Sub-Fund's Net Asset Value may fluctuate substantially.

**Credit risk:** Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which are explained by macro-economic factors.

**Currency risk:** The Sub-Fund holds assets denominated in currencies other than its Reference Currency. It may be affected by changes in exchange rates between the Reference Currency and these other currencies or by changes to exchange control regulations.

**Use of derivatives:** 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.

**Use of hedging strategies:** The currency hedging that may be used to minimize the effect of currency fluctuations may not always be successful.

## **SFDR**

The Investment Manager decides not to currently consider the adverse effects of investment decisions on sustainability factors for the Sub-Fund as defined in Article 7 (2) of the SFDR Regulation.

As per the current investment strategy and the composition of the portfolio, the Investment Manager assesses that such impact deems not to be relevant and does not currently have the capabilities for collecting ESG elements for determining and weight with more accuracy the negative sustainability effects.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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

This Sub-Fund targets retail and institutional investors who are advised to invest only part of their assets therein.

The recommended investment horizon is 5 years or longer.

### **Reference Currency and Currencies of the Relevant Classes/Categories**

The reference currency of the Sub-Fund is Euro.

The reference currency of Class A EUR and Class B EUR is Euro.

The reference currency of Class A USD and Class B USD is USD.

### **Activation of the Share Class**

Class A EUR in the Sub-Fund Optimize Europe Value Fund as absorbing Sub-Fund with ISIN code LU2215410650, will be activated with effective date 15 October 2021 upon the cross-border merger with the Fund Optimize Europa Valor, as absorbed Fund with ISIN code PTOPZFHM0008.

### **Frequency of the Net Asset Value per Share (NAV) calculation and Valuation Day**

For each Business Day ("Valuation Day"), there is a corresponding Net Asset Value per Share in each Class which is dated that Valuation Day and calculated and published on the following Business Day(s) after that Valuation Day.

### **Publication of the NAV**

The Net Asset Values and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

### **Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund are, not currently admitted to official listing on the Luxembourg Stock Exchange.

### **Procedures for Subscription, Redemption and Conversion (if any)**

Applications for subscription must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

Applications for conversion or redemption must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value. The Net Asset Value will be published on the Business Day after the Valuation Day on the basis of the closing price of the Valuation Day.

Applications for the shares of the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Payments for subscriptions shall be made on the cut-off day i.e. one Business Day preceding the relevant Valuation Day unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Subscription orders must be expressed as monetary figures and not as a number of Shares.

Payments for redemptions shall be made within three Business Days following the relevant Valuation Day, provided that the Fund has received all the required documents, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

The Board of Directors may, in their absolute discretion, refuse to redeem Shares when the redemption request relate to more than 10% of the Net Asset Value of the Sub-Fund on any applicable Valuation Day. In this event, the limitation will apply pro rata so that all shareholders wishing to have their Shares redeemed on that Valuation Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next applicable Valuation Day and all following applicable Valuation Days until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrative Agent will inform the shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent applicable Valuation Day, still subject to the aforementioned 10% limit.

#### **Subscription, Redemption and Conversion Fees**

Subscription fee: none

Redemption fee: none

Conversion fee: none

#### **Investment Management Fees**

The Investment Manager is entitled to an investment management fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund, respectively the relevant Class within the Sub-Fund, at a rate of:

Class A EUR: 1.25% p.a.

Class A USD: 1.25% p.a.

Class B EUR: 1.15% p.a.

Class B USD: 1.15% p.a.

The investment management fees will be payable whether or not the management of the relevant Sub-Fund is profitable.

## OPTIMIZE IP SICAV

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The Investment Manager may, at its sole discretion, pay a portion of the Investment Management Fee to intermediaries or placement agents.

### ISIN Codes

<b>Class</b>	<b>ISIN Code</b>
Class A EUR	LU2215410650
Class B EUR	LU2215410734
Class A USD	LU2215410817
Class B USD	LU2215410908

### III. OPTIMIZE IP SICAV – Optimize Global Flexible Fund

#### Investment Objective and Policy

The Sub-Fund pursues a flexible investment policy and its portfolio may vary at any time, although the Investment Manager will endeavor to compose a portfolio which is balanced between equity and fixed income.

The portfolio of the Sub-Fund will mainly be composed of:

- i. Equity (directly or via UCITS and/or other UCIs);
- ii. Fixed income (directly or via UCITS and/or other UCIs);
- iii. Floating-rate bonds or floating-rate UCITS;
- iv. Money market instruments

The Sub-Fund may invest up to 10% of its net assets in other UCITS and/or UCIs.

In addition to the aforementioned securities, the Sub-Fund may also invest in bonds whose valuation basis is based on the use of one or more derivative instruments in order to capture the risk profile associated with a particular market or the expected returns of that market, in accordance with the expectations of the Investment Manager.

The Sub-Fund may use financial derivative instruments for both hedging and/or investment purposes. The types of derivatives may include, but are not limited to, single stock and equity index futures and options, currency futures and forwards and OTC derivatives.

Notwithstanding the above provisions and in exceptional market circumstances, the Sub-Fund may invest on a temporary basis its net assets exclusively in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and whose maturity does not exceed 12 months.

#### Benchmark

The Sub-Fund does not use a benchmark.

#### Classes of Shares

Class A EUR: Accumulation Shares dedicated to retail investors

Class B EUR: Accumulation Shares dedicated to institutional investors

Class A USD: Accumulation Shares dedicated to retail investors

Class B USD: Accumulation Shares dedicated to institutional investors

Class A EUR Shares and Class A USD Shares are available for retail investors investing at least EUR 100 and USD 100 respectively

Class B EUR Shares and Class B USD Shares are available for institutional investors investing at least EUR 100,000 and USD 100,000 respectively

## **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 "Special Risk Factors", the following risk factors may affect the performance of the Sub-Fund:

## **Specific Risk Considerations**

In addition to general risk factors listed in Part A of the Prospectus, the risks listed below are the main specific risks of the Sub-Fund. Investors should be aware that other risks may also be relevant to this Sub-Fund from time to time. Please refer to Chapter I "Investment Objectives, Policies and Restrictions", Section A "General Provisions", point "4. Risk Factors" for a full description of these risks:

**Market Risk:** Markets may fluctuate significantly with prices rising and falling sharply or even be reduced to zero, and this will have a direct impact on the Sub-Fund's Net Asset Value. This also means that when the equity markets are extremely volatile the Sub-Fund's Net Asset Value may fluctuate substantially.

**Credit risk:** Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which are explained by macro-economic factors.

**Currency risk:** The Sub-Fund holds assets denominated in currencies other than its Reference Currency. It may be affected by changes in exchange rates between the Reference Currency and these other currencies or by changes to exchange control regulations.

**Use of derivatives:** 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.

**Use of hedging strategies:** The currency hedging that may be used to minimize the effect of currency fluctuations may not always be successful.

## **SFDR**

The Investment Manager decides not to currently consider the adverse effects of investment decisions on sustainability factors for the Sub-Fund as defined in Article 7 (2) of the SFDR Regulation.

As per the current investment strategy and the composition of the portfolio, the Investment Manager assesses that such impact deems not to be relevant and does not currently have the capabilities for collecting ESG elements for determining and weight with more accuracy the negative sustainability effects.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



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

This Sub-Fund targets retail and institutional investors who are advised to invest only part of their assets therein.

The recommended investment horizon is 5 years or longer.

### **Reference Currency and Currencies of the Relevant Classes/Categories**

The reference currency of the Sub-Fund is Euro.

The reference currency of Class A EUR and Class B EUR is Euro.

The reference currency of Class A USD and Class B USD is USD.

### **Activation of the Share Class**

Class A EUR in the Sub-Fund Optimize Global Flexible Fund, as absorbing Sub-Fund with ISIN code LU2215411039, will be activated with effective date 15 October 2021 upon the cross-border merger with the Fund Optimize Investimento Activo, as absorbed Fund with ISIN code PTOPZCHM0001.

### **Frequency of the Net Asset Value per Share (NAV) calculation and Valuation Day**

For each Business Day ("Valuation Day"), there is a corresponding Net Asset Value per Share in each Class which is dated that Valuation Day and calculated and published on the following Business Day(s) after that Valuation Day.

### **Publication of the NAV**

The Net Asset Values and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

### **Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund are, not currently admitted to official listing on the Luxembourg Stock Exchange.

### **Procedures for Subscription, Redemption and Conversion (if any)**

Applications for subscription must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Days preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

Applications for conversion or redemption must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value. The Net Asset Value will be published on the Business Day after the Valuation Day on the basis of the closing price of the Valuation Day.

Applications for the shares of the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Payments for subscriptions shall be made on the cut-off day i.e. one Business Day preceding the relevant Valuation Day unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Subscription orders must be expressed as monetary figures and not as a number of Shares.

Payments for redemptions shall be made within three Business Days following the relevant Valuation Day, provided that the Fund has received all the required documents, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

The Board of Directors may, in their absolute discretion, refuse to redeem Shares when the redemption request relate to more than 10% of the Net Asset Value of the Sub-Fund on any applicable Valuation Day. In this event, the limitation will apply pro rata so that all shareholders wishing to have their Shares redeemed on that Valuation Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next applicable Valuation Day and all following applicable Valuation Days until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrative Agent will inform the shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent applicable Valuation Day, still subject to the aforementioned 10% limit.

### **Subscription, Redemption and Conversion Fees**

Subscription fee: none

Redemption fee: none

Conversion fee: none

### **Investment Management Fees**

The Investment Manager is entitled to an investment management fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund, respectively the relevant Class within the Sub-Fund, at a rate of:

Class A EUR: 1.25% p.a.

Class A USD: 1.25% p.a.

Class B EUR: 1.15% p.a.

Class B USD: 1.15% p.a.

The investment management fees will be payable whether or not the management of the relevant Sub-Fund is profitable.

## OPTIMIZE IP SICAV

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The Investment Manager may, at its sole discretion, pay a portion of the Investment Management Fee to intermediaries or placement agents.

### ISIN Codes

<b>Class</b>	<b>ISIN Code</b>
Class A EUR	LU2215411039
Class A USD	LU2215411203
Class B EUR	LU2215411112
Class B USD	LU2215411385

#### **IV. OPTIMIZE IP SICAV – Optimize Invest Selection**

##### **Investment Objective and Policy**

The Sub-Fund pursues a flexible investment policy and its portfolio may vary at any time, although the Investment Manager will endeavour to compose a portfolio which is balanced between equity and fixed income.

The Sub-fund will seek to achieve its investment objective by investing mainly in a portfolio of UCITS, UCIs, and eligible Exchange Traded Funds (“ETFs”), including those managed or distributed by companies in the Optimize Group as well as other equity securities. The UCITS, UCIs and ETFs will have exposure to a range of asset classes including, but not limited to, equity securities, debt securities and money market instruments.

The Sub-Fund may invest up to 75% of its assets in equity linked funds and it may also invest on an ancillary basis directly in government bonds and other money market instruments such as deposits.

The Sub-Fund may use financial derivative instruments for both hedging and/or investment purposes. The types of derivatives may include, but are not limited to, single stock and equity index futures and options, currency futures and forwards and OTC derivatives.

Notwithstanding the above provisions and in exceptional market circumstances, the Sub- may invest its net assets on a temporary basis exclusively in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and whose maturity does not exceed 12 months.

##### **Benchmark**

The Sub-Fund does not use a benchmark.

##### **Classes of Shares**

Class A EUR: Accumulation Shares dedicated to retail investors

Class B EUR: Accumulation Shares dedicated to institutional investors

Class ITA EUR: Accumulation Shares dedicated to retail and institutional investors

Class A USD: Accumulation Shares dedicated to retail investors

Class B USD: Accumulation Shares dedicated to institutional investors

Class A CHF: Accumulation Shares dedicated to retail investors

Class B CHF: Accumulation Shares dedicated to institutional investors

Class A EUR Shares, Class A USD Shares and Class A CHF Shares are available for retail investors investing at least EUR 100, USD 100 and CHF 100 respectively

Class B EUR Shares, Class B USD Shares and Class B CHF Shares are available for institutional investors investing at least EUR 100,000, USD 100,000 and CHF 100,000 respectively

Class ITA EUR Shares are available for retail investors and institutional investors investing at least EUR 100. Class ITA EUR Shares are intended for Distribution in Italy.

### **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 "Special Risk Factors", the following risk factors may affect the performance of the Sub-Fund:

### **SFDR**

The Investment Manager decides not to currently consider the adverse effects of investment decisions on sustainability factors for the Sub-Fund as defined in Article 7 (2) of the SFDR Regulation.

As per the current investment strategy and the composition of the portfolio, the Investment Manager assesses that such impact deems not to be relevant and does not currently have the capabilities for collecting ESG elements for determining and weight with more accuracy the negative sustainability effects.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Specific Risk Considerations**

In addition to general risk factors listed in Part A of the Prospectus, the risks listed below are the main specific risks of the Sub-Fund. Investors should be aware that other risks may also be relevant to this Sub-Fund from time to time. Please refer to Chapter I "Investment Objectives, Policies and Restrictions", Section A "General Provisions", point "4. Risk Factors" for a full description of these risks:

**Market Risk:** Markets may fluctuate significantly with prices rising and falling sharply or even be reduced to zero, and this will have a direct impact on the Sub-Fund's Net Asset Value. This also means that when the equity markets are extremely volatile the Sub-Fund's Net Asset Value may fluctuate substantially.

**Credit risk:** Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which are explained by macro-economic factors.

**Currency risk:** The Sub-Fund holds assets denominated in currencies other than its Reference Currency. It may be affected by changes in exchange rates between the Reference Currency and these other currencies or by changes to exchange control regulations.

**Use of derivatives:** 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.

Use of hedging strategies: The currency hedging that may be used to minimize the effect of currency fluctuations may not always be successful.

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

This Sub-Fund targets retail and institutional investors who are advised to invest only part of their assets therein.

The recommended investment horizon is 3 years or longer.

### **Reference Currency and Currencies of the Relevant Classes/Categories**

The reference currency of the Sub-Fund is Euro.

The reference currency of Class A EUR, Class B EUR and Class ITA EUR is Euro.

The reference currency of Class A USD and Class B USD is USD.

The reference currency of Class A CHF and Class B CHF is CHF.

### **Initial Offer and Initial Price**

Class ITA EUR Shares will be initially offered to investors from 15 October 2021 to 20 October 2021 or any other period as determined by the Board of Directors.

Applications for initial offer must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, on 20 October 2021 (payment value date).

Shares will be issued at an initial price of EUR 100 for Class ITA EUR Shares unless otherwise decided by the Board of Directors. Shares subscribed during the initial offer shall be paid to the Depositary at the latest on 20 October 2021. The first Net Asset Values will be dated as of 21 October 2021.

The Board of Directors of the Fund reserves the right to close the initial offer before the scheduled date. If no subscription has been received on the closing of the initial offer, the launch date will be the next Business Day on which the first subscriptions for the relevant Class(es) will have been accepted at the relevant initial price defined here above. The Board of Directors of the Fund at its own discretion may establish an extension of the initial offer and/or a change of the launch date.

No subscription fee will be applied in respect of subscriptions received during the initial offer.

### **Frequency of the Net Asset Value per Share (NAV) calculation and Valuation Day**

For each Business Day ("Valuation Day"), there is a corresponding Net Asset Value per Share in each Class which is dated that Valuation Day and calculated and published on the following Business Day(s) after that Valuation Day.

**Publication of the NAV**

The Net Asset Values and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

**Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund are, not currently admitted to official listing on the Luxembourg Stock Exchange.

**Procedures for Subscription, Redemption and Conversion (if any)**

Applications for subscription must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

Applications for conversion or redemption must be received by the Registrar and Transfer Agent no later than 12 p.m., Luxembourg Time, one Business Day preceding the relevant Valuation Day, at the latest (being the cut-off time for the Sub-Fund).

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value. The Net Asset Value will be published on the Business Day after the Valuation Day on the basis of the closing price of the Valuation Day.

Applications for the shares of the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Payments for subscriptions shall be made on the cut-off day i.e. one Business Day preceding the relevant Valuation Day unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

Subscription orders must be expressed as monetary figures and not as a number of Shares.

Payments for redemptions shall be made within three Business Days following the relevant Valuation Day, provided that the Fund has received all the required documents, unless otherwise decided by the Board in compliance with the principle of equal treatment of shareholders.

The Board of Directors may, in their absolute discretion, refuse to redeem Shares when the redemption request relate to more than 10% of the Net Asset Value of the Sub-Fund on any applicable Valuation Day. In this event, the limitation will apply pro rata so that all shareholders wishing to have their Shares redeemed on that Valuation Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next applicable Valuation Day and all following applicable Valuation Days until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrative Agent will inform the shareholders affected. Redemption requests carried forward will have

priority over redemption requests received in respect of subsequent applicable Valuation Day, still subject to the aforementioned 10% limit.

### **Subscription, Redemption and Conversion Fees**

Subscription fee: none

Redemption fee: none

Conversion fee: none

### **Investment Management Fees**

The Investment Manager is entitled to an investment management fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund, respectively the relevant Class within the Sub-Fund, at a rate of:

Class A EUR: 1.20% p.a.

Class A USD: 1.20% p.a.

Class A CHF: 1.20% p.a.

Class B EUR: 1.10% p.a.

Class B USD: 1.10% p.a.

Class B CHF: 1.10% p.a.

Class ITA EUR: 0.70% p.a.

The investment management fees will be payable whether or not the management of the relevant Sub-Fund is profitable.

The Investment Manager may, at its sole discretion, pay a portion of the Investment Management Fee to intermediaries or placement agents.

### **Distribution Fees**

The Management Company, in its capacity as Global Distributor is entitled to receive a distribution fee calculated and accrued on each Valuation Day and payable quarterly in arrears on the basis of the average Net Asset Value of the Sub-Fund, respectively the relevant Class within the Sub-Fund, at a rate of:

Class ITA EUR: 0.50% p.a.

### **ISIN Codes**

<b>Class</b>	<b>ISIN Code</b>
Class A EUR	LU2215411971
Class A USD	LU2215412276
Class A CHF	LU2215412433
Class B EUR	LU2215412193
Class B USD	LU2215412359
Class B CHF	LU2215412516
CLASS ITA EUR	LU2391406373



**MISCELLANEOUS**

**I. DOCUMENTS AVAILABLE**

Copies of the following documents can be obtained by shareholders during office hours on any Business Day from the registered office of the Fund at 4, rue Jean Monnet, L-2181 Luxembourg, Luxembourg:

- (i) the Articles of the Fund;
- (ii) the agreement with the Depositary and Paying Agent;
- (iii) the agreements with the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent;
- (iv) the agreement with the Management Company;
- (v) the agreement with the Investment Manager;
- (vi) the latest reports and accounts referred to under the heading "General Information", Section B "Meetings of, and Reports to, shareholders".

Copies of the Prospectus, KIID and latest published annual and semi-annual reports may also be consulted from the following website: [www.andbank.com](http://www.andbank.com).

**II. SUBSCRIPTION FORMS**

Subscription forms may be obtained from the Fund's registered office on request.

**III. OFFICIAL LANGUAGE**

The official language of the Prospectus and of the Articles is English. However, the Board of Directors, the Depositary, the Management Company, the Domiciliary and Corporate Agent, the Administrative Agent and the Registrar and Transfer Agent may, on their own behalf and on the Fund's behalf, consider it essential that these documents be translated into the languages of the countries in which the Fund's Shares are offered and sold. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall always prevail.