



**PROSPECTUS**

***AtonRâ SICAV***

Société d'Investissement à Capital Variable  
à compartiments multiples  
Luxembourg

R.C.S. LUXEMBOURG B 244257

May 2020

## TABLE OF CONTENTS

---

PART A: GENERAL INFORMATION.....	4
GLOSSARY.....	5
1. INTRODUCTION.....	7
2. THE COMPANY.....	8
3. THE MANAGEMENT COMPANY.....	9
4. INVESTMENT OBJECTIVES AND POLICY.....	11
5. RISK FACTORS.....	19
6. SUB-FUNDS AND SHARES OF THE COMPANY.....	27
7. INCOME POLICY.....	28
8. NET ASSET VALUE.....	29
9. ISSUE OF SHARES.....	32
10. REDEMPTION OF SHARES.....	34
11. CONVERSION BETWEEN SUB-FUNDS/CLASSES OF SHARES.....	35
12. LATE TRADING/MARKET TIMING POLICY.....	36
13. TAXATION IN LUXEMBOURG.....	37
14. CENTRAL ADMINISTRATION AGENT, DOMICILIARY AGENT, DEPOSITARY BANK AND PAYING AGENT.....	40
15. INVESTMENT MANAGER.....	42
16. MONEY LAUNDERING PREVENTION.....	43
17. DISTRIBUTORS.....	44
18. EXPENSES.....	45
19. NOTICES AND PUBLICATION.....	46
20. LIQUIDATION OF THE COMPANY, TERMINATION OF THE SUB-FUNDS AND CLASSES OF SHARES, CONTRIBUTION OF SUB-FUNDS AND CLASSES OF SHARES.....	47
21. DOCUMENTS.....	49
PART B: THE SUB-FUNDS.....	50
ATONRÂ SICAV – THE ATONRÂ FUND.....	51

<b>REGISTERED OFFICE</b>	106, route d'Arlon L-8210 Mamer Grand-Duchy of Luxembourg
<b>MANAGEMENT COMPANY</b>	Lemanik Asset Management S.A. 106, route d'Arlon L-8210 Mamer Grand-Duchy of Luxembourg
<b>DIRECTORS OF THE SICAV</b>	Laurent Marx, Director Independent Director  Hervé Coussement, Director Member of the executive committee and global head of sale of Lemanik Asset Management S.A.  Christian Wolf, Director Compliance officer and risk manager of AtonRâ Partners S.A.
<b>INVESTMENT MANAGER</b>	AtonRâ Partners S.A. 7, rue de la Croix d'Or CH-1204 Geneva Switzerland
<b>GLOBAL DISTRIBUTOR</b>	Lemanik Asset Management S.A. 106, route d'Arlon L-8210 Mamer Grand-Duchy of Luxembourg
<b>DEPOSITARY AND PAYING AGENT</b>	Société Générale Luxembourg S.A. 28-32, Place de la Gare L-1616, Luxembourg Grand-Duchy of Luxembourg
<b>ADMINISTRATIVE AGENT AND REGISTRAR / TRANSFER AGENT</b>	Société Générale Luxembourg S.A. 28-32, Place de la Gare L-1616, Luxembourg Grand-Duchy of Luxembourg
<b>AUDITOR</b>	PricewaterhouseCoopers, Société Coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand-Duchy of Luxembourg

**The Prospectus is divided into two Parts. Part A “General Information” aims at describing the general features of AtonRâ SICAV . Part B “The Sub-Funds” aims at describing precisely each Sub-Fund’s specifics.**

**PART A: GENERAL INFORMATION**

## GLOSSARY

<b>A share</b>	Mainland China's domestic share denominated in Renminbi and traded in the Chinese Stock Exchanges.
<b>Administrative Agent</b>	Société Générale Luxembourg S.A..
<b>Annual General Meeting</b>	The general meeting of Shareholders which is held yearly.
<b>Articles</b>	The Articles of Incorporation of the Company.
<b>Auditor</b>	PricewaterhouseCoopers, Société Coopérative.
<b>B share</b>	Mainland China's domestic share denominated in foreign currencies and traded in the Chinese Stock Exchanges.
<b>Bank Business Day</b>	Any full day on which banks are open for business in Luxembourg and in the United States of America.
<b>Board of Directors, Board or Directors</b>	The board of directors of the Company.
<b>Class(es) of Shares or Class(es)</b>	Within each Sub-Fund several different classes of shares whose characteristics may differ. The differences between the classes may relate <i>inter alia</i> to the initial subscription price per share, the Reference Currency of the class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy, the currency hedging policy or such other features as the Board of Directors may, in their discretion, determine.
<b>Company</b>	AtonRâ SICAV.
<b>Company Law</b>	The Luxembourg law of 10 August 1915 related to the commercial companies, as amended.
<b>CRS</b>	Common Reporting Standard - formally referred to as the Standard for Automatic Exchange of Financial Account Information, is an information standard for the automatic exchange of information (AEOI), developed in the context of the Organisation for Economic Co-operation and Development (OECD).
<b>Data Protection Law</b>	Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
<b>Depository Bank</b>	Société Générale Luxembourg S.A..
<b>Domiciliary Agent</b>	Lemanik Asset Management S.A..
<b>Directive 2009/65/EC or UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time.
<b>Director(s)</b>	Member(s) of the Board of Directors of the Company.
<b>Distributor</b>	An entity acting as distributor as explained in section 17.
<b>Eligible Market</b>	A Regulated Market in one of the Eligible States.
<b>Eligible State</b>	Any Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
<b>EU Law</b>	Law of 21 December 2012 transposing Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).
<b>FATF</b>	Financial Action Task Force.
<b>FFI</b>	Foreign Financial Institution.
<b>FINMA</b>	Swiss Financial Market Supervisory Authority.
<b>GDP</b>	Gross Domestic Product.
<b>GITA</b>	German Investment Tax Act of 2018.
<b>GIIN</b>	Global Intermediary Identification Number.
<b>Investment Advisor</b>	No Investment Advisor has been appointed.
<b>Investment Fund Law</b>	The Luxembourg law of December 17, 2010 related to undertakings for collective investments.

<b>Investment Manager</b>	AtonRâ Partners S.A..
<b>KIID</b>	Key Investor Information Document.
<b>Management Company</b>	Lemanik Asset Management S.A..
<b>Member State</b>	Member State of the European Union.
<b>Merger</b>	A merger of a Sub-Fund or Class of Shares of the Company.
<b>National Commission for Data Protection</b>	The independent authority created by the law of 2 August 2002 on the protection of individuals with regard to the processing of personal data.
<b>Net Asset Value</b>	The net asset value as determined in section 8.
<b>Nominee</b>	An entity acting as nominee as explained in section 16.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OTC Derivatives</b>	Over the Counter derivative contracts.
<b>Prospectus</b>	The current prospectus, offering document of the Company.
<b>Reference Currency</b>	The reference currency of, respectively, the Company, the Sub-Funds or Classes of Shares.
<b>Registrar and Transfer Agent</b>	Société Générale Luxembourg S.A..
<b>Regulated Market</b>	<ul style="list-style-type: none"> <li>- a regulated market within the meaning of article 4, item 1.14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;</li> <li>- a market in a Member State which is regulated, operates regularly and is recognised and open to the public; or</li> <li>- a stock exchange or market in a non-Member State which is regulated, operates regularly and is recognised and open to the public.</li> </ul>
<b>RESA</b>	The Luxembourg official gazette of law.
<b>Shareholders</b>	Holders of shares of any Sub-Fund of the Company.
<b>SICAV</b>	<i>Société d'Investissement à Capital Variable.</i>
<b>Sub-Fund(s)</b>	A distinctive entity constituted of assets and liabilities.
<b>UCI</b>	Undertaking for Collective Investment.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities.
<b>UCITS Rules</b>	The set of rules formed by the UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines.
<b>Valuation Date</b>	A day on which the Net Asset Value per share of each class will be determined.

## 1. INTRODUCTION

---

AtonRâ SICAV (hereinafter the "**Company**"), described in this Prospectus, is a company established in Luxembourg with a variable capital, a SICAV that may offer a choice of several separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific features as further detailed in the relevant Sub-Funds Addendum in Part B.

Each Sub-Fund invests in transferable securities and/or other liquid financial assets permitted by the Investment Fund Law transposing Directive 2009/65/EC

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s). This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The main objective of the Company is to provide a range of Sub-Funds combined with active professional management to diversify investment risk and satisfy the needs of investors seeking long term capital growth. Each Sub-Fund is described in each Sub-Fund's specifics in Part B of this Prospectus.

**As in the case of any investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub-Funds will be achieved.**

The Reference Currency of the Sub-Funds is indicated in each Sub-Fund's specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.

The Board of Directors of the Company may decide at any time to create new Sub-Funds. At the opening of such additional Sub-Funds, the current Prospectus shall be adapted accordingly.

As also indicated in the Articles of the Company, the Board of Directors may:

- (i) restrict or prevent the ownership of shares in the Company by any physical person or legal entity;
- (ii) restrict the holding of shares in the Company by any physical or corporate person in order to avoid the breach of laws and regulations of a country and/or official regulations or to avoid that the shareholding in question induces tax liabilities or other financial disadvantages, which it would otherwise not have incurred or would not incur.

For further information on restricted or prohibited share ownership, please consult the Company.

## 2. THE COMPANY

---

The Company was incorporated for an unlimited period in the Grand Duchy of Luxembourg on 24 April 2020 as a *société anonyme* under the Company Law and is organised as a SICAV (i.e. variable capital company) under Part I of the Investment Fund Law. As such, the Company is registered on the official list of collective investment undertakings maintained by the Luxembourg regulator.

The capital of the Company shall at all times be equal to the value of the assets of all the Sub-Funds of the Company. The Reference Currency of the Company is USD.

The minimum capital of the Company must be at least the equivalent in USD of EUR 1,250,000 (one million two hundred fifty thousand Euro) and must be reached within a period of 6 months following the authorisation of the Company. For the purpose of determining the capital of the Company, the assets attributable to each Sub-Fund, if not expressed in USD, will be converted into USD at the then prevailing exchange rate in Luxembourg. If the capital of the Company becomes less than two-thirds of the legal minimum, the Directors must submit the question of the dissolution of the Company to the general meeting of Shareholders. The meeting is held without a quorum and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the shares present. Each such meeting must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

The registered office of the Company is at:

106, Route d'Arlon  
L-8210, Mamer  
Grand-Duchy of Luxembourg

The Articles of the Company were published in the RESA on 20 May 2020 and the Company is registered with the Luxembourg Trade and Companies Register under number B 244257.

The financial year of the Company starts on the 1<sup>st</sup> January and ends on the 31<sup>st</sup> December each year. Exceptionally, the first financial year will start at the launch of the SICAV and end on the 31<sup>st</sup> December 2020.

Shareholders' meetings are to be held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The Annual General Meeting will be held within six (6) months as from the preceding year-end. The first general annual meeting will be held in 2021. Other meetings of Shareholders may be held at such place and time as may be specified in the respective notices of meetings that will be published/sent in compliance with the provisions of the Company Law. Resolutions concerning the interests of the Shareholders of the Company shall be taken in a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub-Fund may be taken by this Sub-Fund's general meeting.



### 3. THE MANAGEMENT COMPANY

---

Pursuant to a management company services agreement, Lemanik Asset Management SA was appointed as the management company of the Company to be responsible on a day-to-day basis, under the supervision of the Board, for providing administration, marketing, and investment management services in respect of all Sub-Funds (“**Management Company Services Agreement**”).

In respect of all Sub-Funds, the Management Company has delegated, under its control and responsibility, the investment management function to the Investment Manager.

The Management Company has also delegated the administration functions to the Registrar and Transfer Agent and Administrative Agent.

The Board of Directors of the Management Company are as follows:

- Mr Gianluigi SAGRAMOSO, Chairman
- Mr Carlo SAGRAMOSO, Vice-Chairman
- Mr Philippe MELONI, Member

The Management Company was incorporated as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg on 1<sup>st</sup> September 1993 and is approved as a Management Company regulated by chapter 15 of the 2010 Law.

The Management Company shall also ensure compliance of the Company with the investment restrictions and oversee the implementation of the investment policy of each Sub-Fund.

The Management Company will receive periodic reports from the Company's service providers in relation to the services that they provide. The Management Company shall also submit its own report to the Board of Directors on a periodic basis and inform the Board of Directors without delay of any non-compliance of the Company with the investment restrictions.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request at the Management Company's registered office.

The Management Company has established and applies a remuneration policy (the "**Remuneration Policy**") and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company.

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

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website:

[http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm)

A paper copy of the Remuneration Policy is available free of charge to the Shareholders upon request.

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

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- d) the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Company and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
- e) the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and
- f) the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.

In context of delegation, the Remuneration Policy will ensure that the delegates comply with the following:

- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b) if at any point of time, the management of the Company were to account for 50% or more of the total portfolio managed by the delegate, at least 50% of any variable remuneration component will have to consist of shares of the Company, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item; and
- c) a substantial portion, and in any event at least 40% of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

The agreement between the Company and the Management Company provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon three (3) months' notice.

In consideration of its services, the Management Company is entitled to receive fees from the Company which will consist in transaction / operations-based fees and fees calculated as an annual percentage of the Net Asset Value of the Sub-Funds or Classes.

The percentage-based fees are payable monthly and will not exceed the percentage amount indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus.

This percentage amount will be calculated on each Valuation Date on the Net Asset Value of that day of the relevant Class over the period by reference to which the fee is calculated.

## 4. INVESTMENT OBJECTIVES AND POLICY

---

### 4.1 Investment objectives of the Company

The investment objective of each Sub-Fund is to provide investors with the opportunity of achieving long-term capital growth through investment in assets within each of the Sub-Funds. **The Sub-Funds' assets will be invested in conformity with each Sub-Fund's investment objective and policy as described in each Sub-Fund's specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.**

The investment objective and policy of each Sub-Fund of the Company is determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

Unless otherwise mentioned in the Sub-Fund's specifics in Part B of this Prospectus, the following applies to the Sub-Funds.

### 4.2 Investment policy and restrictions of the Company

- I. In the case that the Company comprises more than one Sub-Fund, each Sub-Fund shall be regarded as a separate undertaking in UCITS for the purpose of the investment objectives, policy and restrictions of the Company.
- II. 1. The **Company**, for each **Sub-Fund**, may invest in only one or more of the following:
  - a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market.
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:
    - such other UCIs have been authorised under the laws of any Member State, OECD member state or under the laws of Canada, Guernsey, Hong Kong, India, Japan, Jersey, Liechtenstein, Norway, Singapore, Switzerland or the United States of America,
    - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - no more than 10% of the assets of the UCITS or other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
  - d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law;
  - e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or OTC Derivatives, provided that:
    - the underlying consists of instruments covered by this section, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
    - the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

- 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 Company's initiative; and/or

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

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are dealt in on Regulated Markets, or

- issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF state, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that set forth in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. However:

a) The Company, for each Sub-Fund, shall not invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in paragraph 1 of this section 4.2. II. above;

b) the Company for each Sub-Fund shall not acquire either precious metals or certificates representing them.

III. The Company, for each Sub-Fund, may acquire movable and immovable property, which is essential for the direct pursuit of its business.

IV. The Company may hold ancillary liquid assets.

V. a) (i) The Company, for each Sub-Fund, may invest no more than 10% of the assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.

(ii) The Company, for each Sub-Fund, may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of each Sub-Fund in an OTC Derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in paragraph II. f) or 5% of its assets in other cases.

b) The total value of the transferable securities and money market instruments held by the Company for each Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets of each Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

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

- investments in transferable securities or money market instruments issued by that body;

- deposits made with that body; or

- exposures arising from OTC Derivative transactions undertaken with that body.

c) The limit of 10% laid down in sub-paragraph a) (i) above may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.

d) The limit of 10% laid down in sub-paragraph a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums

deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Company for a Sub-Fund invests more than 5% of its assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) are not included in the calculation of the limit of 40% referred to in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined, thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) may not exceed a total of 35% of the assets of each Sub-Fund.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in paragraph V.

The Company may cumulatively invest up to 20% of the assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- VI. a) Without prejudice to the limits laid down in paragraph VIII., the limits provided in paragraph V. are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when, according to the constitutional documents of the Company, the aim of a Sub-Funds' investment policy is to replicate the composition of a certain stock or debt securities index which 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;
- the index is published in an appropriate manner.

- b) The limit laid down in paragraph a) is raised to 35% where that proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- VII. **Notwithstanding the limits set forth under paragraph V., each Sub-Fund is authorised to invest in accordance with the principle of risk spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one (1) or more of its local authorities, by any other member state of the OECD, or public international bodies of which one or more Member States of the European Union belong, provided that (i) such securities are part of at least six (6) different issues and (ii) the securities from a single issue shall not account for more than 30% of the total assets of the Sub-Fund..**
- VIII. a) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- b) Moreover, the Company may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the units of the same UCITS and/or other UCI with the meaning of Article 2 (2) of the Investment Fund Law;
  - 10% of the money market instruments of any single issuer.
- These limits laid down under second, third and fourth indents may be disregarded at the time of acquisition, if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.
- c) The provisions of paragraphs (a) and (b) are waived as regards to:
- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
  - transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - shares held by the Company in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company for each Sub-Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the European Union complies with the limits laid down in paragraph V., VIII. and IX. Where the limits set in paragraph V and IX are exceeded, paragraph XI a) and b) shall apply *mutatis mutandis*;
  - shares held by one or more investment companies in the capital of subsidiary companies carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of units at the request of unitholders exclusively on its or their behalf.
- IX. a) The Company may acquire the units of the UCITS and/or other UCIs referred to in paragraph II. e), provided that no more than 20% of a Sub-Fund's assets be invested in the units of a single UCITS or other UCI.
- For the purpose of the application of this investment limit, each Sub-Fund of a single UCI with multiple Sub-Funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds vis-à-vis third parties is ensured.
- b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of each Sub-Fund.
- When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph V.
- c) When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Companies' investment in the units of such other UCITS and/or UCIs.
- The Company for each Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs will disclose in this Prospectus the maximum level of the management fees that

may be charged both to the Company itself and to the other UCITS and/or other UCIs in which it intends to invest.

By derogation to the preceding restrictions, the Company is entitled to adopt master-feeder strategies so as to invest at least 85% of the net assets of a Sub-Fund in one single UCITS in full compliance with the provisions of the Investment Fund Law.

- X. 1. The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

The Management Company should not solely or systematically rely on credit ratings issued by credit rating agencies within the meaning of Article 3, paragraph 1, point b) of Regulation (EC) No 1060/2009 of 16 September 2009 on agencies credit rating to assess the quality of the Company's assets credit.

The Administration Agent of the Company employs a process for accurate and independent assessment of the value of OTC Derivatives.

2. The Company for each Sub-Fund is also authorised to employ techniques and instruments relating to transferable securities and money-market instruments under the conditions and within the limits laid down by the Investment Fund Law, provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Investment Fund Law.

Under no circumstance shall these operations cause the Company for each Sub-Fund to diverge from its investment objectives as laid down in this Prospectus.

3. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph V above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph V.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph X.

The global exposure may be calculated through the Value-at-Risk approach (“**VaR Approach**”) or the commitment approach (“**Commitment Approach**”) as described in each Sub-Fund in Part B of this Prospectus.

The purpose of the VaR Approach is the quantification of the maximum potential loss that could arise over a given time interval under normal market conditions and at a given confidence level.

The Commitment Approach performs the conversion of the financial derivatives into the equivalent positions in the underlying assets of those derivatives. By calculating global exposure, methodologies for netting and hedging arrangements and the principles may be respected as well as the use of efficient portfolio management techniques.

Unless described differently in each Sub-Fund in Part B, each Sub-Fund will ensure that its global exposure to financial derivative instruments computed on a VaR Approach does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total assets or that the global exposure computed based on a commitment basis does not exceed 100% of its total assets.

To ensure the compliance of the above provisions the Management Company will apply any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards.

- XI. a) The Company for each Sub-Fund does not need to comply with the limits laid down in section 4.2 when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs V., VI., VII. and IX. for a period of six months following the date of their authorisation.
- b) If the limits referred to in paragraph XI. a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.

- XII. 1. The Management Company on behalf of the Company may not borrow.

However, the Company may acquire foreign currency by means of a back-to-back loan for each Sub-Fund.

2. By way of derogation from paragraph XII.1., the Company may borrow provided that such a borrowing is:

- a) on a temporary basis and represents no more than 10% of their assets;
- b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

The borrowings under points XII. 2. a) and b) shall not exceed 15% of its assets in total.

- XIII. A Sub-Fund may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company under the condition that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
- no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to the Articles, be invested in aggregate in shares/units of other target Sub-Funds of the same fund; and
- voting rights, if any, attaching to the relevant securities, are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Company, their value will not be taken into consideration of the calculation of the assets of the Company for the purposes of verifying the minimum threshold of the assets imposed by the Investment Fund Law; and
- there is no duplication of subscription or repurchase fees between those at the level of the Sub-Fund of the Company having invested in the target Sub-Fund, and this target Sub-Fund.

4.3 Securities lending, sale with right of repurchase transactions, repurchase and reverse repurchase agreement transactions and total return swaps (hereinafter "TRS").

As of the date of the Prospectus, the Company is not authorised to invest in repurchase transaction, security lending transaction, buy-sell back or sell-buy back transaction and margin lending transaction or TRS, except otherwise stated in the Sub-Fund's specifics in Part B of the Prospectus.

In the event that the Board of Directors of the Company decides that the Company may enter into any of the above transactions and prior to any such transaction, each relevant Sub-Fund's specifics in Part B of the Prospectus of the Company will be amended accordingly to reflect this change in the investment policy of the Company and to comply with the provisions of CSSF Circular 14/592 related to the guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.



#### 4.4 OTC Derivatives contracts

To enter into OTC Derivatives contracts, the Company will ensure compliance with the provisions of CSSF Circular 14/592 related to the guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse. The Company will inter alia ensure that the following requirements are met:

- that the risks arising from these activities are adequately captured by the risk management process of the Management Company;
- that the techniques and instruments relating to transferable securities and money market instruments should not:
  - a) result in a change of the declared investment objective of the Company; or
  - b) add substantial supplementary risks in comparison to the original risk policy as detailed in the Sub-Fund's specifics;
- all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Company.

In case of use of TRS or other financial derivative instruments with the same characteristics, the Company will insert specific statements in each relevant Sub-Fund's specifics in Part B of the Prospectus.

#### 4.5 Management of collateral for OTC financial derivative transactions

In case of entering into OTC financial derivative transactions, the Company will ensure that all collateral used to reduce counterparty risk exposure should comply inter alia with the following criteria at all times:

- a) Liquidity – any collateral received other than cash should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC.
- b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- c) Issuer credit quality – collateral received should be of high quality.
- d) Correlation – collateral received by the Company should be issued by an entity that is in-dependent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-Fund's Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a Sub-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 Sub-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 Sub-Fund's Net Asset Value. Sub-Funds that intend to be fully collateralised in securities issued or guaranteed by a Member State will disclose this fact in the Sub-Fund's specifics in Part B of the Prospectus. Each Sub-Fund's specifics in Part B of the Prospectus should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their Net Asset Value.
- f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- g) Where there is a title transfer, the collateral received should be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h) Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- i) Non-cash collateral received should not be sold, re-invested or pledged.
- j) Cash collateral received should only be:
  - placed on deposit with entities prescribed in Article 50.1(f) of the Directive 2009/65/EC;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds.

In that case, the Company will put in place a haircut policy adapted for each Class of assets received as collateral; and when devising the haircut policy, the Company will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests. The Company will ensure that this policy is documented and justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain Class of assets. The haircut policy is, as relevant, further detailed in Part B of this Prospectus.

## 5. RISK FACTORS

---

The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio as described in point 4.2, X of section 4 “Investment Objectives and Policies” and further detailed in each Sub-Fund’s specific.

The investments of each Sub-Fund are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment-return objective will be achieved. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

The management style is based on expectations of the performance of different markets (equities, bonds, etc.). However, any Sub-Fund may not be invested in the best-performing markets at all times. The Sub-Fund’s performance can therefore fall below the investment objective. The Net Asset Value of the Sub-Fund can also show negative performance.

The risks inherent to the different Sub-Funds depend on their investment objective and policy, i.e. among others the markets invested in, the investments held in portfolio, etc.

Investors should be aware of the risks inherent to the following instruments or investment objectives, although this list is in no way exhaustive:

(i) Market risk

Market risk is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a portfolio’s interest.

Market risk is specifically high on investments in shares (and similar equity instruments). The risk that one or more companies will suffer a downturn or fail to increase their financial profits can have a negative impact on the performance of the overall portfolio at a given moment.

(ii) Equity risk

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund’s value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund’s portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

(iii) Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of the Sub-Funds’ investments. The Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

(iv) Credit risk

Credit risk involves the risk that an issuer of a bond (or similar money-market instruments) held by the Company may default on its obligations to pay interest and repay principal and the Company will not recover its investment.

(v) Counterparty Risk

The Sub-Funds will be subject to the risk of the inability of any counterparty (including the Depositary Bank) who to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

(vi) Currency risk

Currency risk involves the risk that the value of an investment denominated in currencies other than the Reference Currency of a Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates.

(vii) Liquidity risk

There is a risk that the Company will not be able to pay repurchase proceeds within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons.

(viii) Financial derivative instruments

The Sub-Funds may engage, within the limits established in their respective investment policy and the legal investment restrictions, in various portfolio strategies involving the use of derivative instruments for hedging or efficient portfolio management purposes.

The use of such derivative instruments may or may not achieve its intended objective and involves additional risks inherent to these instruments and techniques.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

In case of a trading purpose of such transactions, the assets held in portfolio will not necessarily secure the derivative. In essence the Sub-Fund is therefore exposed to additional market risk in case of option writing or short forward/future positions (i.e. underlying needs to be provided/ purchased at exercise/maturity of contract).

Furthermore, the Sub-Fund incurs specific derivative risks amplified by the leverage structure of such products (e.g. volatility of underlying, counterparty risk in case of OTC, market liquidity, etc.).

(ix) Emerging market risk

Investors should note that certain Sub-Funds may invest in less developed or emerging markets as described in the Sub-Funds' specifics in Part B of this Prospectus. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. The risk of significant fluctuations in the Net Asset Value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security, which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected (the "**Counterparty**") might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Company will seek, where possible to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

(x) Shenzhen and Shanghai-Hong Kong Stock Connect risks

*Quota limitations risk*

The Stock Connect is subject to quota limitations on investment, which may restrict the Sub-Fund's ability to invest through the Stock Connect on a timely basis, and the Sub-Funds may not be able to effectively pursue their investment policies.

*Suspension risk*

Both SEHK and SSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the Sub-Fund's ability to access the PRC market.

*Differences in trading day*

The Stock Connect operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors cannot carry out any trading. The Sub-Funds may be subject to a risk of price fluctuations during the time when the Stock Connect is not trading as a result.

*Restrictions on selling imposed by front-end monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

*Clearing, settlement and custody risks*

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx (the "HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Shares traded through Shenzhen-Hong Kong or Shanghai-Hong Kong Stock Connect are issued in scripless form, so investors such as the Sub-Funds will not hold any physical shares. Hong Kong and overseas investors, such as the Sub-Funds, who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or depositaries' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon re-quest at the registered office of the Management Company.

*Operational risk*

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Sub-Fund, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the

program could be disrupted. The Sub-Fund's ability to access the A-share market (and hence to pursue their investment strategy) will be adversely affected.

#### *Nominee arrangements in holding investments*

HKSCC is the "nominee holder" of the SSE securities acquired by overseas investors (including the Sub-Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or depositary as registered holder of SSE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those SSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Sub-Funds and the Depositary cannot ensure that the Sub-Fund's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities in the PRC or elsewhere. Therefore, although the relevant Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing their rights.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary Bank and the Sub-Funds will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC.

#### *Legal and beneficial ownership risks*

Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local central securities depositaries, HKSCC and ChinaClear. As in other emerging markets, the only legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership and of beneficial ownership or interest in securities.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary Bank and the Sub-Funds will have no legal relationship with HKSCC and no legal direct recourse against HKSCC in the event that the Sub-Funds suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels of the liquidation of ChinaClear. In this event, the Sub-Funds may not fully recover their losses or their China Hong-Kong Stock Connect Programmes securities and the process of recovery could also be delayed.

#### *Investor compensation*

Investments of the Sub-Funds through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

#### *Trading costs*

In addition to paying trading fees and stamp duties, the Sub-Funds may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers, which are yet to be determined by the relevant authorities.

### *Regulatory risk*

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies. The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Funds, which may invest in the PRC markets through the Stock Connect may be adversely affected as a result of such changes.

### *Government Control of Currency Conversion and Future Movements in Exchange Rates*

Since 1994, the conversion of onshore Renminbi CNY into other currencies has been based on rates set by the People's Bank of China, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY exchange rate will not fluctuate widely against any foreign currency in the future.

### *Onshore versus offshore Renminbi differences risk*

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions will be in USD and will be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of the Renminbi outside the PRC.

### *Restricted markets risk*

The Sub-Funds may invest in securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Funds' holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and, at the worst, the Sub-Funds may not be able to fully achieve its investment objective and/or the Sub-Fund may face increased liquidity risks.

### *Suspension risk*

shares may only be bought from, or sold to, the Sub-Funds from time to time where the relevant security may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that these markets are considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of shares may also be disrupted.

### *Operational and Settlement Risk*

Settlement procedures in the PRC are less developed and may differ from those in countries that have more developed financial markets. The Sub-Funds may be subject to a risk of substantial loss if an appointed agent (such as a broker or a settlement agent) defaults in the performance of its responsibilities. The Sub-Funds may incur substantial losses if its counterparty fails to pay for securities the Sub-Funds has delivered, or for any reason fails to complete its contractual obligations owed to the Sub-Fund. On the other hand, significant delays in settlement may occur in certain markets in registering the transfer of securities. Such delays could result in substantial losses for the Sub-Fund if investment opportunities are missed or if the Sub-Funds is unable to acquire or dispose of a security as a result. As a consequence, the broker model involving Delivery Versus Payment settlement must be chosen in order to limit counterparty risk.

### *Changes in PRC taxation risk*

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies. Any changes in tax policies may reduce the after-taxation profits of the investments to which the performance of the Sub-Funds is linked.

### *QFII/RQFII regulatory risks*

Foreign investors can invest in Chinese domestic securities market through institutions that have obtained Qualified Foreign Institutional Investor (“**QFII**”) or Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) status within certain investment quotas as approved under and subject to applicable Chinese regulatory requirements. These requirements, like the applicable laws, rules and regulations, are subject to change and such change may restrict the Company’s ability to make the relevant investments or to fully implement or pursue its investment objective.

The Renminbi, the lawful currency of the PRC, is not currently a freely convertible currency and is subject to exchange control imposed by the PRC government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as the relevant Fund may invest in the PRC, it will be subject to the risk of the PRC government’s imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the relevant Fund to satisfy payments to investors.

Non-Renminbi based investors are exposed to foreign exchange risk and there is no guarantee that the value of Renminbi against the investors’ base currencies (for example USD) will not depreciate. Any depreciation of Renminbi could adversely affect the value of investor’s investment in the Company.

The exchange rate used for all relevant Fund transactions in Renminbi is in relation to CNH, not CNY, save for those made via the RQFII Quota. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the PRC government from time-to-time as well as other external market forces. Any divergence between CNH and CNY may adversely impact investor.

### *QFII/RQFII quota risk*

There can be no assurance that the Investment Manager will be able to obtain access to a sufficient QFII/RQFII quota to meet all proposed investments of the Company.

#### (xi) Investment restrictions relating to techniques and instruments aimed at hedging exchange risks

In the context of the management of the investment portfolio, each Sub-Fund may use instruments with a view to hedging against exchange-rate fluctuations. These instruments include sales of forward foreign-exchange contracts, sales of currency futures, purchases of put options on currencies as well as sales of call options on currencies. Such transactions are limited to contracts and options, which are traded on a Regulated Market, which is in continuous operation and which is recognised and open to the public. Furthermore, the Company may for each Sub-Fund enter into currency swaps in the context of over-the-counter transactions dealing with leading institutions specialised in this type of transaction.

#### (xii) Foreign securities

A Sub-Fund’s investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor’s domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalisation, exchange control restrictions, confiscator taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund’s securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of



certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

(xiii) Class Hedging risk

Each Sub-Fund may engage in currency hedging transactions with regards to a certain Class of shares (the "**Hedged Share Class**"). Hedged Share Classes are designed (i) to minimise exchange rate fluctuations between the currency of the Hedged Share Class and the Reference Currency of the Sub-Fund or (ii) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Reference Currency of the Sub-Fund or other material currencies within the Sub-Fund (the "**reference currency(ies)**") is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the Net Asset Value of the Hedged Share Class until the following or a subsequent business day following the Valuation Date on which the instruction was accepted. This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Class of Shares expressed in the Reference Currency(ies), if the Hedged Share Class currency falls against the Reference Currency(ies). Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Share Classes which are Hedged Share Classes will be indicated so in each Sub-Fund's specific.

(xiv) Foreign Currency risk

Since the Company values the portfolio holdings of each of its Sub-Funds in their respective Reference Currencies as stated in the relevant Sub-Fund's specifics, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Sub-Fund's yield thereon. Since the securities held by a Sub-Fund may be denominated in currencies different from its Reference Currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's shares, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realised by said Sub-Fund. If the currency in which a security is denominated appreciates against the Reference Currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. To the extent that a Sub-Fund or any Class of Shares seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction. Sub-Funds which use currency management strategies, including the use of cross currency forwards and currency futures contracts, may substantially change the Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if the currencies do not perform as the Investment Manager expects.

(xv) Effect of substantial withdrawals

Substantial withdrawals by Shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of

the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

(xvi) Political risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

(xvii) General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

## 6. SUB-FUNDS AND SHARES OF THE COMPANY

---

Under the Articles of the Company, the Directors have the power to create and issue several different Sub-Funds, whose characteristics may differ from those Sub-Funds then existing.

The Directors shall maintain for each Sub-Fund a separate pool of assets. As between Shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

Under the Articles of the Company, the Directors have the power to create and issue within each Sub-Fund several different Classes of Shares within each Sub-Fund, whose characteristics may differ from those Classes existing.

The differences between the Classes may relate inter alia to the initial subscription price per share, the Reference Currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy, the currency hedging policy or such other features as the Board of Directors may, in their discretion, determine.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Board of Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

Within each Class, the Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective Net Asset Value per share determined in accordance with the provisions of the Company's Articles, without reserving to existing Shareholders preferential or pre-emptive rights to subscribe for the shares to be issued.

On issue, all shares have to be fully paid-up. The shares do not have any par value. Each share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are only available in registered form. No share certificates will be issued in respect of registered shares; registered share ownership will be evidenced by confirmation of ownership and registration on the share register of the Company.

Fractions of shares may be issued up to one ten thousandth of a share. The resultant fractional shares shall have no right to vote but shall have the right to participate pro-rata in distributions and allocation of the proceeds of liquidation in the event of the winding-up of the Company or in the event of the termination of the Company.

The Sub-Funds' specifics in Part B of this Prospectus detail the Classes available in each Sub-Fund.

Upon creation of a new Sub-Fund and Class, the Prospectus will be updated accordingly.

The Board of Directors is empowered to determine - on a case-by-case basis - whether certain investors are or are not to be categorised as institutional investors.

The specifics of each Class in relation to fees and expenses payable and the currency of each Class are indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus.

## 7. INCOME POLICY

---

Within each Class of Shares, the Board of Directors may decide to issue accumulating and/or distributing shares. The dividend policy applicable for each Class of Shares or Sub-Fund is further described in each Sub-Fund's specifics in Part B of this Prospectus.

If a dividend is declared by the Company, it will be paid to each Shareholder concerned in the Reference Currency of the relevant Class.

Dividend payments are restricted by law in that they may not reduce the assets of the Company below the required minimum capital.

In the event that a dividend is declared and remains unclaimed after a period of five (5) years from the date of declaration, such dividend will be forfeited and will revert to the Class or Sub-Fund in relation to which it was declared.

## 8. NET ASSET VALUE

---

The Net Asset Value per share of each Class will be determined on each Valuation Date as indicated in the Sub-Funds' specifics in Part B of this Prospectus and expressed in the Reference Currency of the respective Class, by the Administrative Agent of the Company by dividing the value of the assets of the Sub-Fund properly able to be allocated to such Class less the liabilities of the Sub-Fund properly able to be allocated to such Class by the number of shares then outstanding in the Class on the relevant Valuation Date. The Net Asset Value per share of each Class may be rounded up or down to the nearest two decimals of the Reference Currency of such Class of Shares. The Sub-Funds' specifics in Part B of this Prospectus detail the Valuation Date for each Sub-Fund.

When a Valuation Date falls on a day observed as a holiday on a stock exchange which is the principal market for a significant proportion of the Sub-Funds' investment or is a market for a significant proportion of the Sub-Fund's investment or is holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Funds, the Company may decide that a Net Asset Value will not be calculated on such Valuation Date.

The value of the assets of each Sub-Fund is determined as follows:

1. transferable securities and money market instruments admitted to listing on an Eligible Market are valued on the basis of the last known price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establish the probable sales price for such securities;
2. non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors or its delegate;
3. shares or units of UCITS (including any Master Fund) or other UCIs are valued at the latest available Net Asset Value per share;
4. liquid assets are valued at their nominal value plus accrued interest;
5. derivatives are valued at market value;
6. the Board of Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, it considers that such adjustment is required to reflect the fair value thereof;
7. if the Board of Directors deems it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Class, the applicable foreign exchange rate on the respective Valuation Date will be used.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub-Funds and Classes as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company and at the Management Company's offices.

The calculation of the Net Asset Value of the shares of any Class and the issue, redemption and conversion of the shares of any Sub-Fund may be suspended by the Board of Directors in the following circumstances:

- following a suspension of the calculation of the Net Asset Value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of shares in the Master Fund; or
- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for a significant part of the Sub-Fund's investments, for in which trading therein is restricted or suspended; or
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Company fairly to determine the value of any assets in a Sub-Fund; or
- during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments or of current prices on any stock exchange; or

- when for any reason (i) the prices of any investment owned by the Sub-Fund cannot be reasonable, promptly or accurately ascertained or (ii) the calculation of the Net Asset Value of any relevant Master Fund is suspended; or
- during the period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- following a possible decision to liquidate or dissolve the Company or one or several Sub-Funds; or
- in the case of a merger, if the Board of Directors deems this to be justified for the protection of the Shareholders; or
- in all other cases in which the Board of Directors considers a suspension to be in the best interest of the Shareholders.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares shall be notified to Shareholders having made an application for subscription, redemption or conversion of shares for which the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares has been suspended.

## **Swing pricing**

### Dilution

The Sub-Funds are single priced and may suffer a reduction in value, as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions, and/ or switches in and out of the Sub-Funds. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Board of Directors will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Board of Directors will make adjustments in the calculations of the Net Asset Values per share of each Class, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

### Dilution Adjustment

In the usual course of business, the application of a dilution adjustment will be triggered mechanically and on a consistent basis, as explained below.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by a Sub-Fund for each Valuation Date. The Board of Directors therefore reserves the right to make a dilution adjustment where a Sub-Fund experiences a net cash movement, which exceeds a threshold set by the Board of Directors from time to time of the previous Valuation Date's total Net Asset Value.

The Board of Directors may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing Shareholders to do so.

The Board of Directors has chosen the partial swing approach. That is assessing daily the net Shareholder activity as a percentage of the Sub-Fund's Net Asset Value. If this activity exceeds a pre-defined threshold, the mechanism is applied at the Sub-Fund level. When applied, all Class of Shares within a Sub-Fund swing in the same direction and by the same percentage. This replicates the dilution impact, as each Class of Shares suffers dilution in proportion due to the costs of trading which occur at the portfolio level. The swing pricing thresholds per Sub-Fund are determined and approved by the Board of Directors.

If invoked, the swing adjustment will be included in the published Net Asset Value for the day. Investors will continue to receive one published Net Asset Value share price each day that may (or may not) have been swung. All investors, whether buying or selling, will deal on this price. No disclosure will be made as to whether the Net Asset Value for the day is swung or un-swung.

In the above-mentioned procedure, the threshold will be determined and reviewed by the Board of Directors. In doing so, the Board of Directors is cognizant of the objective to protect existing Shareholders from the dilution effects of material Shareholder dealing. The Board of Directors will therefore set the threshold at a level that will achieve the protection for Shareholders while at the same time minimize Net Asset Value volatility by ensuring that the share price per Class does not swing when the dilution impact on the Sub-Fund would be at a level which is considered to be immaterial to existing Shareholders. The Board of Directors, as per standard market practice and current guidance of the Association of the Luxembourg Fund Industry ("ALFI"), will not disclose the adopted swing pricing thresholds. Where a dilution adjustment is made, it will impact the subscribing and redeeming investors by

typically increasing the Net Asset Value per share of each Class when there are net inflows into the Sub-Fund and decreasing the Net Asset Value per share of each Class when there are net outflows. The swing pricing mechanism does not address the specific circumstances of each individual investor transaction. The Net Asset Value per share of each Class in the Sub-Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per share of each Class identically. As dilution is related to the inflows and outflows of money from the Sub-Fund as well as current market conditions, it is not possible to accurately predict whether dilution will occur at any future point in time.

The aforementioned procedure applies to all Sub-Funds of the Company as indicated in the Prospectus.

The Board of Directors has a clear documented swing pricing policy, which governs the details of the swing pricing mechanism. The policy provides the Board of Directors with the authority to enable factors to be updated at least on a quarterly basis or more frequently if it may be needed, for example, if there is deemed to have been a particular systemic market event during the period that has caused spreads or transaction costs to change materially. The Board of Directors will also oversee the calculation of the swing factors. Swing factors are not published; however, upon request information can be communicated on an ad hoc basis to investors for a specific Valuation Date.

Since the dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, which can vary with market conditions, the amount of the dilution adjustment can vary over time. Nevertheless, it will not exceed 2% of the relevant Net Asset Value per Share of each Class under normal market conditions. Under extraordinary circumstances such as political, military, economic, financial, monetary, sanitary or other emergency beyond the control, liability and influence of the Company, the maximum swing factors could however be raised on a temporary basis beyond the aforementioned maximum percentage, upon decision of the Board of Directors.

Any performance fee will be charged on the basis of the un-swung Net Asset Value.

## 9. ISSUE OF SHARES

---

Applications for subscription for shares in any of the Sub-Fund may be made in hard copy, fax, SWIFT or other form prescribed by the Board of Directors from time to time, addressed to the Registrar and Transfer Agent or Distributor.

Prospective Shareholders may be required to provide for any documentation satisfactory to the Board of Directors and provide such undertakings and other information as the Management Company and the Registrar Agent consider appropriate.

The payment of the subscription price may be made in kind, subject however to the prior approval of the Board of Directors. Any Subscription in kind shall be subject to the confirmation by an auditor's special report of the valuation of the contributed assets. The related costs shall be borne by the relevant investor.

### 9.1 Initial Subscription Period

The initial subscription period (which may last one day) and price of each newly created or activated Sub-Fund will be determined by the Directors and disclosed in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments for subscriptions made during the initial subscription period must have been received in the Reference Currency of the relevant Sub-Fund / Class of Shares by the Company within the time period indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments must be received by electronic transfer net of all bank charges.

A subscription fee calculated on the subscription price of the shares to which the application relates, the maximum percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Management Company, the Distributor or other intermediary, upon subscription for shares in a Class.

The Board of Directors may at any time decide the activation of a Class. Upon activation of a new Class in a Sub-Fund, the price per share in the new Class will, at its inception, correspond to the price per share during the initial subscription period in the relevant Sub-Fund or to the current Net Asset Value per share in an existing Class of the relevant Sub-Fund plus relevant subscription fees, or such other prices, as the Board of Directors may determine .

### 9.2 Subsequent Subscriptions

Following any initial subscription period, the issue price per share will be the Net Asset Value per share on the applicable Valuation Date.

A subscription fee calculated on the Net Asset Value of the shares to which the application relates, the maximum percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Management Company, the Distributor or other intermediary, upon subscription for shares in a Class.

Subscriptions received by the Registrar and Transfer Agent before the applicable cut-off time on a Valuation Date as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value of that Valuation Date. Subscriptions received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. The investor will bear any taxes or other expenses attaching to the application.

All shares will be allotted immediately upon subscription and payment must be received by the Company within the time period as described in each Sub-Fund's specific in Part B of this Prospectus. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the Shareholder. Payments should preferably be made by bank transfer and shall be made in the Reference Currency of the relevant Class; if payment is made in another currency than the Reference Currency of the relevant Class, the Company will enter into an exchange transaction at market conditions and this exchange transaction could lead to a postponement of the allotment of shares.

Payments made by the investor by cheque are not accepted.

The Board of Directors reserves the right to accept or refuse any subscriptions in whole or in part for any reason and in compliance with the law, before the publication of the Net Asset Value per share applicable on the Valuation Date concerned.

The issue of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.



### 9.3 Minimum Initial Subscription and Holding

Classes dedicated to specific investors, may have a minimum subscription and / or holding amount as indicated in the Sub-Funds' specifics in Part B of the Prospectus. The Company may in its discretion waive this minimum subscription and / or holding amount. In particular, this applies for Shareholders staggering investments over time, reaching above-mentioned thresholds over time.

If, as a result of redemption, the value of a Shareholder's holding in a Class would become less than the relevant minimum holding amount as indicated above, then the Board of Directors of the Company may elect to redeem the entire holding of such Shareholder in the relevant Class or compulsory convert in a Class without minimum subscription amount. It is expected that such redemptions or conversions will not be implemented if the value of the Shareholder's shares falls below the minimum investment limits solely as a result of market conditions. Thirty (30) calendar days prior written notice will be given to Shareholders whose shares are being redeemed or converted to allow them to purchase sufficient additional shares so as to avoid such compulsory redemption or conversion.

### 9.4 Stock Exchange listing

Shares of different Sub-Funds and their Classes may at the discretion of the Board of Directors of the Company be listed on Stock Exchanges.

## 10. REDEMPTION OF SHARES

---

A Shareholder has the right to request that the Company redeems its shares at any time. Shares will be redeemed at the respective Net Asset Value of shares of each Class.

Instructions for redemption of shares may be made in hard copy, fax, SWIFT or other form prescribed by the Board of Directors.

In any case, no redemption will be accepted and executed before having successfully performed all anti money laundering checks. In the case where the acceptance of any redemption order would be delayed for any anti money laundering at the discretion of the Board of Directors, such a redemption order will be executed on the basis of the Net Asset Value of shares immediately applicable on the day of such acceptance without payment of any interest.

A redemption fee calculated on the Net Asset Value of the shares to which the application relates, the maximum percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the shareholders by the Management Company, the Distributor or other intermediary upon a redemption for shares in a Class.

Shareholders wishing to have all or any of their shares redeemed at the redemption price on a Valuation Date, should deliver to the Registrar and Transfer Agent before the cut-off time on a Valuation Date as specified in the Sub-Fund's specifics in Part B of this Prospectus, an irrevocable written request for redemption in the prescribed form.

Redemption requests received by the Registrar and Transfer Agent after such determined cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date.

All requests will be dealt with in strict order in which they are received, and each redemption shall be effected at the Net Asset Value of the said shares.

Redemption proceeds will be paid in the Reference Currency of the respective Class. Payment will be effected within the time period as described in each Sub-Fund's specific in Part B of this Prospectus and after receipt of the proper documentation.

**Investors should note that any redemption of shares by the Company will take place at a price that may be more or less than the Shareholder's original acquisition cost, depending upon the value of the assets of the Sub-Fund at the time of redemption.**

The payment of the redemption price may be made in consideration in kind at the Board of Directors' discretion, subject however to the prior approval of the concerned Shareholders. The allotment of Fund's assets in respect of redemption for consideration in kind shall be fair and not detrimental to the interests of the other Shareholders of the Company. Any redemption for consideration in kind shall be subject to the confirmation by an auditor's special report of the valuation of the Company and of the Company's assets to be allocated, the costs of which shall be borne by the Company.

The redemption of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

If requests for redemption and conversion on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company, at the discretion of the Board of Directors reserves the right to postpone redemption and conversion of all or part of such shares to the following Valuation Date. On the following Valuation Date, such requests will be dealt with in priority to any subsequent requests for redemption and conversion and such redemption and conversion shall be effected at the Net Asset Value of the relevant Sub-Fund as of such Valuation Date.

### 10.2 Compulsory redemptions

The Board of Directors may decide to compulsory redeem shares when:

- a) The shares are held by Shareholders not authorised to buy or own shares in the Company;
- b) In case of liquidation or merger of Sub-Funds or Classes of Shares;
- c) the value of a Shareholder's holding in a Class is less than the relevant minimum holding amount or the Shareholder does not satisfy other conditions which may be imposed for holding shares in a specific Class
- d) In all other circumstances as the Board of Directors may deem appropriate and in the interests of the Company.

Except in the cases b), c) and d), the Board of Directors may impose such penalty as it deems fair and appropriate.

## 11. CONVERSION BETWEEN SUB-FUNDS/CLASSES OF SHARES

---

A Shareholder has the right to request that the Company converts its shares into shares of any other Class of the same or of another Sub-Fund.

Instructions for conversion of shares may be made in hard copy, fax, SWIFT or other form prescribed by the Board of Directors.

Conversion orders received by the Registrar and Transfer Agent on a Valuation Date before the cut-off time as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value established on that Valuation Date. Conversion requests received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. Conversion of shares will only be made on a Valuation Date if the Net Asset Value of both Classes of Shares is calculated on that day.

Shareholders may be requested to bear a conversion fee to the benefit of the Sub-Fund of which they become Shareholder, corresponding to the difference between the subscription fee paid initially when buying the shares in the Class they leave and the subscription fee applicable to the Class of which they become Shareholders, should the subscription fee of the Class into which the Shareholders are converting their shares be higher than the subscription fee of the Class they leave.

The Board of Directors will determine the number of shares into which an investor wishes to convert its existing shares in accordance with the following formula (adapted with conversion fees, if any):

$$A = \frac{(B \times C)}{E} * EX$$

A = The number of shares in the new Class of Shares to be issued

B = The number of shares in the original Class of Shares

C = The Net Asset Value per share in the original Class of Shares

E = The Net Asset Value per share of the new Class of Shares

EX: being the exchange rate on the conversion day in question between the Reference Currency of the Class of Shares to be converted and the Reference Currency of the Class of Shares to be assigned. In the case no exchange rate is needed the formula will be multiplied by one (1).

If requests for conversion on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company reserves the right to postpone the conversion of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for conversion.

The conversion of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

## **12. LATE TRADING/MARKET TIMING POLICY**

---

The Company takes appropriate measures to assure that subscription, redemption and conversion requests will not be accepted after the time limit set for such requests in this Prospectus.

The Company does not knowingly allow investments which are associated with market timing or similar practices as such practices may adversely affect the interests of all Shareholders. The Company reserves the right to reject subscription, redemption and conversion orders from an investor who the Company suspects of using such practices and to take, if appropriate, other necessary measures to protect the other investors of the Company.

As set out in the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Values.

### 13. TAXATION IN LUXEMBOURG

---

Under Luxembourg tax law, the Company is not liable to Luxembourg income tax, capital gains tax, or net wealth tax. In addition, distributions made by the Company are not subject to withholding tax. The Company is, however, subject to a *taxe d'abonnement* of 0.05% per annum, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding shares of the Company at the end of each quarter. This annual tax is however notably reduced to 0.01% on the aggregate Net Asset Value of the shares dedicated to institutional investors. Such reduced rate is also applicable in other cases and exemptions are also available subject to certain conditions.

Income derived from the Company's investments may be subject to withholding / capital gain tax upon distribution / payment in the countries of source. These taxes may not be recoverable.

Shareholders are, at present, not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance or other tax with respect to shares owned by them (except, where applicable, Shareholders who are domiciled or reside or have permanent establishment or have been domiciled or have resided in Luxembourg).

Prospective investors should inform themselves as to the taxes applicable to the acquisition, holding and disposition of shares of the Company and to disposition of shares of the Company and to distributions in respect thereof under the laws of the countries of their citizenship, residence or domicile.

#### **Foreign Account Tax Compliance Act (FATCA)**

FATCA rules were incorporated in the U.S. Internal Revenue Code and in the Final Regulations issued on 6 March 2014. Those rules entered into force on 1 July 2014 and impose requirements on Foreign Financial Institutions ("FFIs") to identify and report any account holder that is a Specified U.S. Person. Luxembourg has concluded a Model I Intergovernmental Agreement ("IGA") with the United States on 28 March 2014. The IGA was incorporated into Luxembourg law by the Law dated 24 July 2015 (published on 29 July 2015).

The Company, as a Reporting Model 1 Financial institution, is required to identify each account that is a US reportable account and annually report this information to the local Luxembourg authorities. US reportable accounts are financial accounts held by a Specified US person, i.e. any US person including individuals and entities (with some exceptions), and by a Passive Non-Financial Foreign Entity which one or more Controlling Persons that is a Specified US Person. In order to identify the investors, the Company has the obligation to perform certain necessary due diligence and monitor the account holders (i.e. debt and equity investors).

The Company may require all investors of the Company to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned legislation. Under the Luxembourg IGA, such information will subsequently be remitted by the Luxembourg Tax Authorities ("LTA" or *Administration des contributions directes*) to the U.S. Internal Revenue Service. Such information should include the name, address, taxpayer identification number as well as information on account balances, income and gross proceeds (non-exhaustive list).

Despite anything else herein contained and as far as permitted by Luxembourg laws, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company;
- Require any Shareholder or beneficial owner of the shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

In addition, the Company hereby confirms that, as a Reporting Model 1 Financial Institution, it will register and obtain a GIIN ("**Global Intermediary Identification Number**") and the Company will furthermore only deal with professional financial intermediaries duly registered with a GIIN.

In this respect, any concerned individual has to be informed that the Company, as Reporting Luxembourg Financial Institution, will be responsible for the personal data processing and will act as a data controller for the purpose of the FATCA Law. Each individual has a right to access the information and to rectify those data pursuant to the Data Protection Law in Luxembourg. Responding to FATCA-related questions is mandatory and accordingly failure to do so may result in incorrect reporting by the Company.

As of the date of this Prospectus, the Company is not accepting applications to invest from U.S. Taxpayers, U.S. Persons or from non-U.S. Persons acting for the benefit or account of, directly or indirectly, a U.S. Person, as these terms are defined in the relevant regulations.

### **Common Reporting Standard (CRS)**

The OECD received a mandate by the G8/G20 countries to develop a global reporting standard to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“**DAC 2**”), adopted on 9 December 2014, which the EU Member States needed to incorporate into their national laws by 31 December 2015. The Directive was implemented into Luxembourg law by the law of 18 December 2015 (hereinafter the “**CRS Law**”) which amends the law of 29 March 2013 on administrative cooperation in the field of taxation.

The CRS requires Luxembourg financial institutions (“**FIs**”) to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish if they are fiscally resident in an EU Member State other than Luxembourg or in a country with which Luxembourg has a tax information sharing agreement, and to perform an annual report. In this respect, a Luxembourg Financial Institution may require its investors (i.e. financial account holders) to provide a self-certification form to establish the CRS status and/or tax residence of its account holders at account opening. It may request to receive information in relation to the identity, tax identification number (if applicable), and fiscal residence of reportable financial account holders (including certain entities and their controlling persons if the entity qualifies as Passive Non-Financial Entity).

Luxembourg FIs needed to perform their first reporting of financial account information for the year 2016 to the Luxembourg tax authorities, (“**LTA**”) by 30 June 2017. The LTA have automatically exchanged this information with the competent foreign tax authorities by the end of September 2017. The Reportable Jurisdictions are defined in a grand-ducal decree that is amended on a regular basis. As a consequence, Investors in the Company (including controlling person(s) for investor(s) that qualify as Passive Non-Financial Entities (“**NFE(s)**”) may be reported to the Luxembourg tax authorities and ultimately to the competent authorities of their jurisdiction(s) of residence for tax purposes in accordance with applicable rules and regulations.

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

The Company, as Reporting Luxembourg FI, is responsible for the treatment of the personal data provided for in the CRS Law and will act as data controller for the purpose of the CRS Law. Responding to CRS-related questions is mandatory and accordingly failure to do so may result in incorrect reporting by the Company. Any Investor has a right to access to and rectify the data communicated.

The Investors further undertake to immediately inform the Company and its agents of any changes related to the information within thirty (30) days after the occurrence of such changes.

### **Data protection**

All personal data of shareholders contained in any document provided by such Shareholders and any further personal data collected in the course of the relationship with the Company may be collected, recorded, stored, adapted, transferred or otherwise processed and used (“**processed**”) by the Company or the Management Company. Such data shall be processed for the purposes of account administration, anti-money laundering identification, tax reporting and the development of the business relationship. To this end, data may be transferred to companies appointed by the Company or the Management Company, to support the Company’s activities.

Each Shareholder, by signing the subscription agreement, gives its agreement to such processing of his personal data, as provided by the applicable regulatory framework on the protection of the persons with regard to the processing of personal data.

Further details on the terms and conditions on the processing of data are available upon request and free of charge at the registered office of the Company.

The Company, acting as data controller, collects, stores and processes by electronic or other means the data supplied by the Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

Any data collected by the Company are to be processed in accordance with the data protection law applicable to the Grand-Duchy of Luxembourg and the Data Protection Law.

The data processed includes the name, address and invested amount of each Shareholder as well as any data requested by the Company in order to ensure the Company's compliance with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules (the "**Personal Data**").

The investor may, at his discretion, refuse to communicate the Personal Data to the Company. In this case, however, the Company may reject his request for subscription of shares in the Company.

In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and conversions of shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules and (v) any other legitimate business interests pursued by the Management Company, the Investment Manager or a third party, except where such interests are overridden by the interests or fundamental rights of the Shareholders.

To this end, personal data may be transferred to the Management Company, the Registrar and Transfer Agent, the Investment Manager, the national authorities, the Distributors and any other future delegates appointed by the Company or the Management Company to support the Company's activities.

The Company, the Management Company and/ or any of their delegates and service providers will not transfer personal data to a country outside of the EEA if this country does not offer an adequate level of data protection, thus not offer legal certainty.

The Shareholder has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

The Shareholder also has the right to object to the use of his/her Personal Data for marketing purposes.

The Shareholder may exercise the above rights by writing to the Company at its registered office.

The Shareholder also acknowledges the existence of his/her right to lodge a complaint with the National Commission for Data Protection in Luxembourg.

Personal Data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal limitation periods.

#### 14. CENTRAL ADMINISTRATION AGENT, DOMICILIARY AGENT, DEPOSITARY BANK AND PAYING AGENT

---

The Management Company and the Company have entered into an administrative, registrar and transfer agent agreement with Société Générale Luxembourg S.A. (“**Administrative, Registrar and Transfer Agent Agreement**”). The Management Company and the Company may terminate the said agreement at any time by giving ninety (90) days’ notice in writing.

Under the above-mentioned agreement, Société Générale Luxembourg S.A. provides the Company, under the supervision and responsibility of the Management Company, with services as Administrative Agent and Registrar and Transfer Agent (the “**Central Administration Agent**”). It carries out the necessary administrative work required by law and the rules of the Company and establishes and keeps books and records including the register of Shareholders of the Company. It also executes all subscription, redemption and conversion applications and determine the Net Asset Value of the Company.

In consideration of its services as Central Administration Agent, Société Générale Luxembourg S.A. is entitled to receive fees in line with customary banking practices in Luxembourg.

Lemanik Asset Management S.A. is the Domiciliary Agent of the Company, under a Domiciliary Services Agreement. The Company and the Domiciliary Agent may terminate the said agreement at any time by giving ninety (90) days’ notice in writing.

The Company has entered into a depositary and paying agent agreement (the “**Depositary and Paying Agent Agreement**”) with Société Générale Luxembourg. The Company and the Depositary Bank may terminate the said agreement at any time by giving ninety (90) days’ notice in writing.

Société Générale Luxembourg S.A. is a public limited liability company (société anonyme) incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office located at 28-32, Place de la Gare, L-1616 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Register of Trade and Companies under number B6061 .

In due compliance with the UCITS rules, the Depositary Bank is entrusted with safekeeping duties, including custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Fund's assets. The Depositary Bank must also ensure an effective and proper monitoring of the Company' cash flows.

The Depositary Bank shall further have the following oversight duties:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of shares of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the shares is calculated in accordance with the UCITS Rules, the Articles and relevant procedures;
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Company’s assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that a Company’s income is applied in accordance with the UCITS Rules and the Articles.

The Depositary Bank may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the UCITS Directive, the Depositary Bank may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents or third party custodians as appointed from time to time. The Depositary Bank liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians are available on the website of the Depositary Bank (<https://www.securities-services.societegenerale.com/>). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary Bank. Up-to-date information regarding the identity of the Depositary Bank, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary Bank and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary Bank, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary Bank delegates its safekeeping functions or when the Depositary Bank also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary Bank.



In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary Bank, aiming namely at:

- a) identifying and analysing potential situations of conflicts of interest;
- b) recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary Bank has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

The Company has further appointed the Depositary Bank as paying agent of the Company for Luxembourg, responsible for making dividend payments and payments of redemption proceeds. Other local paying agents will be appointed for each country, in which the Company is distributed by the Management Company.

The Company and the Depositary Bank may terminate the Depositary and Paying Agent Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary Bank only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary Bank. After its dismissal, the Depositary Bank must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary Bank has no decision-making discretion nor any advice duty relating to the Company's investments.

The Depositary Bank is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

In consideration of its services as Depositary Bank, Société Générale Luxembourg S.A. is entitled to receive fees in line with customary banking practices in Luxembourg.

## 15. INVESTMENT MANAGER

---

Pursuant to an investment management agreement, AtonRâ Partners S.A. was appointed by the Management Company to provide investment management services in respect of all Sub-Funds (“**Investment Management Agreement**”), in accordance with the Investment Fund Law and the terms of this Prospectus.

The agreement between the Management Company and the Investment Manager provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon three (3) months’ notice.

AtonRâ Partners S.A. is an independent portfolio manager authorised by the *FINMA* with effect from 5 July 2019. It is a simplified joint-stock company registered in the Geneva Trade and Companies Register under reference CHE-105.225.914. The Investment Manager is established for an indefinite period.

AtonRâ Partners S.A. has been operating since 2004, originally as an independent equity research company and since 2014 as an independent thematic portfolio manager.

AtonRâ Partners S.A. focuses on identifying long term industrial trends of which potential growth is a multiple of global GDP growth, generally but without limitation in relation with innovation, technology, healthcare, energy, etc.

The first step is to acquire deep knowledge on the fields it covers, by any mean available i.e. industrial sources, external and internal scientists and engineers, numerous exchanges with entrepreneurs and start-ups, etc. allowing AtonRâ Partners S.A. to identify promising themes and sub-themes, and listed companies related to them.

The second step is to perform fundamental equity analysis to pick those companies which AtonRâ Partners S.A. believes are susceptible to make the most of these growth opportunities while maintaining an attractive risk-reward profile.

The third step is to manage risk, through constant validation of the investment thesis as well as valuation assessments based on optimistic and pessimistic discounted cash flows. As strong growth is a temporary situation, any position is to be exited as soon as AtonRâ Partners S.A. forecasts growth normalisation.

More details about AtonRâ Partners S.A. are available on its website [www.atonra.ch](http://www.atonra.ch).

In consideration of its services, the Investment Manager is entitled to receive investment management fees from the Company.

The investment management fees are payable monthly and will not exceed the percentage amount indicated in each Sub-Fund’s specifics (section “Expenses”) in Part B of this Prospectus.

This percentage amount will be calculated on each Valuation Date on the Net Asset Value of that day of the relevant Class over the period by reference to which the fee is calculated.

The Investment Manager may further receive for certain Sub-Funds a performance fee as indicated in each Sub-Fund’s specifics (section “Expenses”) in Part B of this Prospectus.

## 16. MONEY LAUNDERING PREVENTION

---

Any Shareholder will have to establish its identity to the Company, the Registrar and Transfer Agent, the Distributor or other intermediary which collects the subscriptions, provided that the intermediary is regulated and located in a country that imposes an identification obligation equivalent to that required under Luxembourg law (including the law of November 12, 2004 as amended and the circulars issued by the CSSF).

Such identification shall be evidenced when subscribing for shares as follows:

In order to appropriately identify the beneficial owners of the funds invested in the Company and to contribute to the fight against money laundering and financing of terrorism, subscription requests to the Company by investors must include:

- in the case of natural persons: a certified and valid copy of the investor's identity card or passport (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, Police commissioner, Bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority) and utility bill;
- for corporate entities: an original or a certified and valid copy of the Articles of incorporation, an extract of the register of commerce, the list of Shareholders of the company and the identification documents of those holding directly or indirectly more than 25% of the assets of the company (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, police commissioner, bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority);

This identification obligation applies in the following cases:

- direct subscriptions to the Company;
- subscription via an intermediary which is domiciled in a country in which it is not legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing (including foreign subsidiaries or branches of which the parent company is subject to an identification procedure equivalent to the one required by Luxembourg law if the law applicable to the parent company does not oblige the parent company to ensure the application of these measures by its subsidiaries or branches).

The Luxembourg law dated January 13, 2019 has instated a public register of ultimate beneficial owners (the “**UBO Register**”).

Shareholders who qualify as an ultimate beneficial owners (the “**UBO**”) as defined in the law dated November 12, 2004 on the fight against money laundering and terrorist financing, will have their following data available in the UBO Register: full name, date and place of birth, nationality/ies, country of residence, private or professional address, national (Luxembourg or foreign) identification number (as applicable), details of the nature of, and the extent of, the beneficial interest held in the Company.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the recommendations of the FATF are deemed to be intermediaries having an identification obligation equivalent to that required under the applicable law. The complete updated list of countries having ratified the recommendations of the FATF is available on [www.fatf-gafi.org](http://www.fatf-gafi.org).

Subscriptions may be temporarily suspended until identification of the investors has been appropriately performed. Failure to provide sufficient or additional information may result in an application not being processed or an investor being rejected.

The Management Company or Registrar and Transfer may require at any time additional documentation relating to an application for shares.

## 17. DISTRIBUTORS

---

As part of its function as the Company's Management Company, Lemanik Asset Management S.A. acts as a global distributor ("**Global Distributor**") in respect of all Sub-Funds.

The Global Distributor is authorized to further delegate the function of distribution to one or more local distributors which may also act as nominees for investors in the Company; those investors have the possibility to request direct registration in the Company's register of Shareholders, without using the services of a local distributor / nominee. This provision does not apply in countries where the use of a local distributor and/or nominee is needed for operational reasons or compulsory under applicable laws or regulations.

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

## 18. EXPENSES

---

The Company may bear the following expenses, at the Board of Directors' discretion:

- all fees to be paid to the Management Company, the Central Administration Agent, the Investment Manager, the Depository Bank, the Domiciliary Agent and any other agents that may be employed from time to time;
- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage and bank charges incurred on the Company's business transactions;
- all fees due to the Auditor, the lawyers and the advisors;
- all expenses connected with publications and supply of information to Shareholders, in particular and where applicable, the cost of drafting, printing, translating and distributing the annual and semi-annual reports, as well as any Prospectuses and key investor information documents;
- all expenses involved in registering and maintaining the Company registered with all governmental agencies, stock exchanges, regulatory or supervisory authority, including for distribution purposes.
- the remuneration of the Directors, the insurance of Directors if any, and their reasonable out-of-pocket expenses;
- all other fees and expenses incurred in connection with its operation, administration, asset and risk management and distribution.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

Each Sub-Fund shall amortise its own expenses of establishment over a period of five (5) years as of the date of its creation. The expenses of first establishment will be exclusively charged to the Sub-Funds opened at the incorporation of the Company and shall be amortised over a period not exceeding five (5) years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

Under Luxembourg law, the Company including all its Sub-Funds is regarded as a single legal entity. However, pursuant to article 181 of the Investment Fund Law, as amended, each Sub-Fund shall be liable for its own debts and obligations. In addition, each Sub-Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

The Company is required to indemnify, out of its assets only, officers, employees and agents of the Company, if any, and the Board of Directors for any claims, damages and liabilities to which they may become subject because of their status as managers, officers, employees, agents of the Company or Board of Directors, or by reason of any actions taken or omitted to be taken by them in connection with the Company, except to the extent caused by their gross negligence, fraud or willful misconduct or their material breach of the provisions of the Prospectus.

## 19. NOTICES AND PUBLICATION

---

Notices to Shareholders are available at the Company's registered office. If required by law, they will be published in the newspaper(s) in Luxembourg and, if required, in the other circulating in jurisdictions in which the Company is registered as the Directors may determine.

The Net Asset Value of each Sub-Fund and the issue and redemption prices thereof will be available at all times at the Company's registered office.

Audited annual reports will be made available at the registered office of the Company no later than four (4) months after the end of the financial year and unaudited semi-annual reports will be made available two (2) months after the end of such period.

All reports will be available at the Company's registered office. The first financial report will be an audited financial report dated 31 December 2020.

## **20. LIQUIDATION OF THE COMPANY, TERMINATION OF THE SUB-FUNDS AND CLASSES OF SHARES, CONTRIBUTION OF SUB-FUNDS AND CLASSES OF SHARES**

---

### **20.1 Liquidation of the Company**

In the event of the liquidation of the Company, liquidation shall be carried out by one (1) or several liquidators (approved by the CSSF) appointed by the meeting of the Shareholders deciding such dissolution and which shall determine their powers and their compensation. The liquidators shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the Shareholders in proportion to their shares in the Company in cash or in kind. Any amounts not claimed promptly by the Shareholders will be deposited at the close of liquidation in escrow with the *Caisse de Consignation*. Amounts not claimed from escrow within the statute of limitations will be forfeited according to the provisions of Luxembourg law.

### **20.2 Termination of a Sub-Fund or a Class of Shares**

A Sub-Fund or Class may be terminated by resolution of the Board of Directors of the Company if the Net Asset Value of a Sub-Fund or of a Class is below an amount as determined by the Board of Directors from time to time, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if necessary in the interests of the Shareholders or the Company. In such event, the assets of the Sub-Fund or Class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class in cash or in kind. Notice of the termination of the Sub-Fund or Class will be given in writing to registered Shareholders and/or will be published in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine.

In accordance with the provisions of the Investment Fund Law, only the liquidation of the last remaining Sub-Fund of the Company will result in the liquidation of the Company as referred to in the Investment Fund Law. In this case, and as from the event given rise to the liquidation of the Company, and under penalty of nullity, the issue of shares shall be prohibited except for the purpose of liquidation.

Any amounts not claimed by any Shareholder shall be deposited at the close of liquidation in escrow with the *Caisse de Consignation*.

Unless otherwise decided in the interest of, or in order to ensure equal treatment between Shareholders, the Shareholders of the relevant Sub-Fund or Class may continue to request the redemption of their shares or the conversion of their shares, free of any redemption and conversion charges (except disinvestment costs) prior the effective date of the liquidation. Such redemption or conversion will then be executed by taking into account the liquidation costs and expenses related thereto.

### **20.3 Merger of Sub-Funds or Class of Shares to another Sub-Fund or Class of Shares within the Company**

Any Sub-Fund may, either as a merging Sub-Fund or as a receiving Sub-Fund, be subject to merger with another Sub-Fund of the Company in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the Shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting, is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each Shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.

### **20.4 Merger of Sub-Funds or Class of Shares to another Sub-Fund or Class of Shares of another investment fund**

The Company may, either as a merging UCITS or as a receiving UCITS, be subject to cross-border and domestic mergers in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the Shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in any newspaper(s) in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each Shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.



## 21. DOCUMENTS

---

The following documents may be consulted and obtained at the Company's registered office, the Management Company and the Depositary Bank:

- a) the Company's Prospectus;
- b) the Company's KIIDs;
- c) the Company's Articles;
- d) the Management Company Services Agreement between the Company and the Management Company;
- e) the Administrative, Registrar and Transfer Agent Agreement between the Management Company, the Company and the Central Administration Agent;
- f) the Depositary and Paying Agent Agreement between the Company and the Depositary Bank;
- g) the Investment Management Agreement between the Management Company, the Company and the Investment Manager;
- h) the Company's annual and semi-annual financial reports;
- i) the conflict of interest policy of the Management Company (available at the Management Company's registered office only).

**PART B: THE SUB-FUNDS**

## **1. Investment Objective and Policy**

The Sub-Fund AtonRâ SICAV – The AtonRâ Fund (the “**Sub-Fund**”) aims at a long-term appreciation of invested capital in USD, by investing in equities and equity-related securities of listed companies whose expected growth is a multiple of global GDP growth, thanks to innovations primarily, and without limitation, in the technology, healthcare and energy fields.

The Investment Manager manages the Sub-Fund actively; it does constant research on industry fundamentals and on innovations in the fields of technology, healthcare and energy, and identifies growth themes.

Based on this research and after in-depth analysis of companies' fundamentals, the Investment Manager selects companies in developed countries and emerging markets. Investments in emerging markets cannot exceed 30% of the Sub-Fund's net assets, with a maximum of 20% in China.

Investment in China may involve American/Global depositary receipts of Chinese companies, companies listed in Hong Kong – H shares, and also companies that are listed in Mainland China – A shares or B shares. The latter investments will be made through any permissible means available to the funds under prevailing laws and regulations, including the Shanghai-Hong Kong Stock Connect Program, the Shenzhen-Hong Kong Stock Connect Program, and the Qualified Foreign Institutional Investor quota.

The Sub-Fund will at all times invest at least 51% of the gross asset value of the Sub-Fund in equity securities, as defined in the GITA.

The Sub-Fund may invest in other target funds for an amount not exceeding 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may hold cash (including term deposits) on an ancillary basis up to 49% of its net asset.

The Sub-Fund will not invest in derivative instruments, MBS/ABS, Contingent Convertible Bonds or distressed or defaulted securities and will not enter into efficient portfolio management techniques (including repurchase agreement, security lending transaction, buy-sell back or sell-buy back transaction and margin lending transaction). Should the Sub-Fund invest in these types of instruments, this Prospectus will be updated accordingly. Furthermore, the Sub-Fund is actively managed with no reference to a benchmark.

The Reference Currency of the Sub-Fund is in USD (“**USD**”).

## **2. Risk Profile**

The risk profile of the Sub-Fund is as follows:

➤ Capital risk: Yes.

The capital is not guaranteed. Investors' capital initially invested may not be returned.

➤ Credit risk: Yes.

The Sub-Fund may invest in money market instruments. In the event of their downgrading or default, the value of these instruments may fall and may consequently cause the Net Asset Value of the Sub-Fund to also fall as a result.

➤ Interest rate risk: Yes.

The Sub-Fund may, at any moment, be exposed to interest rate risk as a result of its investments in money market instruments. The Net Asset Value of the Sub-Fund may fall if interest rates rise.

➤ Risk related to the use of derivative instruments: No

➤ Equity risk: Yes.

The Sub-Fund will have an exposure to the equity market. Consequently, the Net Asset Value of the Sub-Fund may fall in case of market fall. The net sensitivities to equities will not exceed 100% of Net Asset Value (no leverage).

➤ Currency risk: Yes.

The Sub-Fund may be exposed to currency risk proportionally to the part of its Net Asset Value not denominated in the Reference Currency of the Sub-Fund.

➤ Emerging Market risk: Yes.

The Sub-Fund may be exposed to risks inherent to investments in emerging markets as described in section 5 “Risk Factors”.

➤ Counterparty risk: Yes.

The counterparty risk is the risk that the counterparty with which a contract has been signed, does not honour its commitments (delivery, payment, refund, etc.). In such a case, default of the counterparty could cause the Sub-Fund's Net Asset Value to fall.

The Sub-Fund may engage in transactions with counterparties (i.e. credit institutions) which, for a certain period, hold cash or assets of the Sub-Fund.

The valuation methodology used is described under section 8 "Net Asset Value", i.e. whenever a foreign exchange rate is needed, the applicable foreign exchange rate on the respective Valuation Date will be used.

The Management Company's risk management process applicable to the Sub-Fund reflects the investment objectives and policy of the Sub-Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub-Fund's risk management. These risks are further described in section 5 "Risk factors" of Part A of this Prospectus.

➤ Shenzhen and Shanghai-Hong Kong Stock Connect risks: Yes

The Sub-Fund may be exposed to the Shenzhen and Shanghai-Hong Kong Stock Connect ("SSE" and "SEHK", together the "Stock Connect"). Specific risks in connection with China shall then be considered as further described in section 5 "Risk Factors".

### 3. Profile of the Typical Investor

The Sub-Fund is marketable to all eligible investors provided they can meet the minimum subscription levels (if any). The Sub-Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital; thus the Sub-Fund may be suitable for investors who are looking to set aside the capital for a minimum of 3 years. If you are uncertain whether these products are suitable for you, please contact your professional adviser.

### 4. Valuation Date

Valuation Dates of the Sub-Fund will be each Bank Business Day. The computation of the Sub-Fund's Net Asset Value for a Valuation Date will be done on the next Bank Business Day.

### 5. Subscription

#### 5.1. Initial subscription period

The initial subscription period in the Sub-Fund will start on 23 June 2020 and end on 30 June 2020. During that period, shares will be offered at the price indicated for each Class of Shares available, in the table below. Initial subscription applications must be received by the Registrar and Transfer Agent no later than 13:00 (1pm) Luxembourg time by 30 June 2020 at the latest (or any other date as may be determined by the Board of Directors).

The subscription amounts in relation to subscriptions made during the initial subscription period, must be received by the Company no later than on the last day of the initial subscription period, (or any other date as may be determined by the Board of Directors).

#### 5.2. Subsequent subscription / cut-off time

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until the cut-off time fixed at 13:00 (1pm) Luxembourg time to be dealt with on the basis of the Net Asset Value per share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in both amounts and in a number of shares. The subscription amount to be paid by investors must be received by the Company at the latest three (3) Bank Business Days following the applicable Valuation Date. Any order for which the proceeds have not been received by the Company by the above cut-off time will be dealt with on the next Valuation Date.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

## **6. Redemption / cut-off time**

Shareholders are entitled to redeem their shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until the cut-off time fixed at 13:00 (1 pm) Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemptions may be made in both amounts and in a number of shares. The redemption amounts, further described in the table below, must be paid to those investors at the latest three (3) Bank Business Days following the applicable Valuation Date.

## **7. Conversion /cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 13:00 (1 pm) Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

## 8. Classes of Shares available

The Classes available in this Sub-Fund are listed in the table below. The Classes are accumulating classes according to information in section “Income Policy” in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged Share Class (against currency exposure)	Investors	Initial subscription price	Minimum subscription / holding amount
<b>Founder</b>	Capitalisation	USD	No	Early bird Investors <sup>(3)</sup>	USD 100	USD 100
<b>Institutional B</b>	Capitalisation	USD	No	Institutional investors	USD 100	USD 10,000,000 / USD 2,000,000
<b>Institutional A</b>	Capitalisation	USD	No	Institutional investors	USD 100	USD 5,000,000 / USD 1,000,000
<b>Institutional Z<sup>(1)</sup></b>	Capitalisation	USD	No	Institutional investors	USD 100	USD 100
<b>P-Retail USD<sup>(2)</sup></b>	Capitalisation	USD	No	All investors	USD 100	USD 100
<b>P-Retail EUR<sup>(2)</sup></b>	Capitalisation	EUR	No	All investors	EUR 100	EUR 100
<b>P-Retail CHF<sup>(2)</sup></b>	Capitalisation	CHF	No	All investors	CHF 100	CHF 100
<b>P-Retail GBP<sup>(2)</sup></b>	Capitalisation	GBP	No	All investors	GBP 100	GBP 100
<b>R-Retail USD</b>	Capitalisation	USD	No	All investors	USD 100	USD 100
<b>R-Retail EUR</b>	Capitalisation	EUR	No	All investors	EUR 100	EUR 100
<b>R-Retail CHF</b>	Capitalisation	CHF	No	All investors	CHF 100	CHF 100
<b>R-Retail GBP</b>	Capitalisation	GBP	No	All investors	GBP 100	GBP 100

The Company may in its discretion, waive minimum subscription and/or holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

- (1) Class of Shares Z may only be acquired by investors who have concluded an agreement with AtonRâ Partners S.A. foreseeing payment of fees to AtonRâ Partners S.A.
- (2) Reserved to investors who have subscribed directly to the Company or through intermediaries with which the Company, Management Company or their delegates have no intermediation agreement
- (3) Any type of investor who is involved in the launch of the Sub-Fund. The subscription of this Class of Shares will be limited to the launch period of the Sub-Fund. This period might however be extended beyond the initial subscription period upon decision of the Board of Directors.

## 9. Expenses

<b>Fees &amp; expenses</b>	<b>Max. Subscription Fee<sup>(4)</sup></b>	<b>Max. Redemption Fee<sup>(4)</sup></b>	<b>Max. fees to the Management Company<sup>(6)</sup></b>	<b>Max. Investment Management fees<sup>(6)</sup></b>	<b>Performance fees<sup>(5)</sup></b>	<b>Annual Tax<sup>(6)</sup></b>
<b>Classes</b>						
<b>Founder</b>	5%	3%	0.10%	1.00%	10.00%	0.05%
<b>Institutional B</b>	5%	3%	0.10%	1.00%	10.00%	0.01%
<b>Institutional A</b>	5%	3%	0.10%	1.25%	12.50%	0.01%
<b>Institutional Z</b>	5%	3%	0.10%	0.00%	0.00%	0.01%
<b>P-Retail USD</b>	5%	3%	0.10%	1.50%	15.00%	0.05%
<b>P-Retail EUR</b>	5%	3%	0.10%	1.50%	15.00%	0.05%
<b>P-Retail CHF</b>	5%	3%	0.10%	1.50%	15.00%	0.05%
<b>P-Retail GBP</b>	5%	3%	0.10%	1.50%	15.00%	0.05%
<b>R-Retail USD</b>	5%	3%	0.10%	2.50%	15.00%	0.05%
<b>R-Retail EUR</b>	5%	3%	0.10%	2.50%	15.00%	0.05%
<b>R-Retail CHF</b>	5%	3%	0.10%	2.50%	15.00%	0.05%
<b>R-Retail GBP</b>	5%	3%	0.10%	2.50%	15.00%	0.05%

(4) According to the contractual arrangements in place for the benefit of the Distributor or other intermediary. At the discretion of the Board of Directors of the Company, such fees can be waived.

(5) As defined below.

(6) Per annum.

The Sub-Fund shall bear all other charges and expenses as detailed in section “Expenses” in Part A of this Prospectus, which includes for example banking, brokerage and operations/transaction based fees, auditors’ fees, Directors’ fees, legal fees and taxes.

An investor who subscribes, converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of Shares also contain additional information on ongoing charges incurred by the Sub-Fund.

#### Performance fees:

The Investment Manager is entitled in respect of each Class to receive a performance fee calculated in relation to each Performance Period. For each Performance Period, the performance fee payable will be equal to a specified percentage (as detailed in the table above for each Class) of any “New Net Appreciation” of the relevant Class.

The Performance Periods in respect of each Class comprise successive twelve month periods ending on 31 December in each calendar year. The first Performance Period in respect of a Class will commence on the last day of the initial subscription period and will end on 31 December 2020. The last Performance Period in respect of a Class will end on the date of termination of the Class.

The performance fees is due only when the Net Asset Value per share of the relevant Class as of the end of the relevant Performance Period exceeds the “High Water Mark”.

The High Water Mark is the greater of:

- (i) the Net Asset Value per share of the relevant Class as of the end of the most recent Performance Period at which a performance fee was paid by such Class (after reduction for the performance fee then paid); and
- (ii) if no performance fee has ever been paid, then the price per share of the relevant Class upon first issue.

The New Net Appreciation shall equal the difference between (i) the total Net Asset Value of the relevant Class and (ii) the total Net Asset Value of the relevant Class before accruals for performance fees at the beginning of the most recent Performance Period immediately following a High Water Mark being reached and which led to a performance fee being due (or if no performance fee has ever been paid, then the price per share of the relevant Class upon first issue), increased by the total subscriptions received during the Performance Period and decreased by the total redemptions received during the Performance Period and decreased by the total distributions declared during the Performance Period for the relevant Class.

For the avoidance of doubt, a performance fee is only payable where the Net Asset Value per share of the relevant Class exceeds its High Water Mark.

Shareholders should note that, as the performance fee is calculated at a Class level and not at an individual Shareholder level, Shareholders may be charged a performance fee even where the Net Asset Value of their shares have remained the same or dropped in value.

The performance fee is payable in arrears within 10 calendar days at the end of each Performance Period. The total Net Asset Value used in calculating the performance of a Class over a Performance Period will include accruals for investment management fees but not performance fees payable in respect of the Performance Period. For the purposes of calculating the Net Asset Value on each Valuation Date, the performance fee will be calculated as if the Performance Period ended on such Valuation Date and if a performance fee would be payable on this basis, an appropriate accrual will be included in the Net Asset Value of the relevant Class.

In the event shares of a Class are redeemed during a Performance Period, a performance fee will be payable equivalent to the related performance fee accrued in calculating the Net Asset Value at the time of redemption.

If the Investment Management Agreement is terminated before the end of a Performance Period, the performance fee in respect of the then current Performance Period will be calculated and paid to the Investment Manager as though the date of termination were the end of the relevant Performance Period.