PROSPECTUS

regarding the permanent offer of co-managed units

GLOBERSEL

**MUTUAL FUND UNDER
LUXEMBOURG LAW
WITH MULTIPLE SUB-FUNDS**

May 2026

ERSEL GESTION INTERNATIONALE S.A.

35, Boulevard Joseph II LUXEMBOURG

This Prospectus is valid only if accompanied by the most recent Annual Report and by the Half-Year Report if more recent than the Annual Report. Investors should read the Management Regulations before investing in the Fund.
No other information may be disclosed other than that provided in this prospectus and in the documents referred to herein, available for consultation by the public.

**A Mutual Fund under Luxembourg Law
with multiple sub-funds**

Management Company
Ersel Gestion Internationale S.A.
35, Boulevard Joseph II L-1840 Luxembourg

Managers of the Sub-Fund Globersel – Broncu:
J.P. Morgan SE. Taunustor1 (Taunus Turm)
60310 Frankfurt am Main,
Germany

Ersel Gestion Internationale S.A.
35, Boulevard Joseph II L-1840 Luxembourg

Investment Advisor of Ersel Gestion Internationale S.A. for the Sub-Fund Globersel – Broncu
Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milano
Italy

Until 26th of August 2025 Manager of the Sub-Fund Globersel - Emerging Bond - Insight Investment:
Insight Investment Management (Global) Limited
160 Queen Victoria Street,
London EC4V 4LA, England

Manager of the Sub-Fund Globersel - Alkimis Equity Alpha:
Alkimis SGR S.p.a
Via dei Bossi 4
20121 Milano
Italy

Manager of the Sub-Fund Globersel - Global Equity - Walter Scott & Partners:
Walter Scott & Partners Limited
One Charlotte Square,
Edinburgh EH2 4DR
United Kingdom

Board of Directors of the Management Company:

Chairman of the Board of Directors

Umberto Giraudo
Deputy General Manager, Ersel S.p.A.
Chairman of the Board of Directors of Simon Fiduciaria Spa
Chairman of the Board of Directors of Nomen Fiduciaria Spa
Piazza Solferino, 11
I-10121 Torino, Italy

Members of the Board of Directors:

Max Meyer
Independent Director
35, Boulevard Joseph II L-1840 Luxembourg

Grand Duchy of Luxembourg

Andrea Nascè
Deputy General Manager, Ersel S.p.A
Piazza Solferino, 11
I-10121 Torino
Italy

Henri Ninove
Director and Conducting Officer
Ersel Gestion Internationale S.A.
35, Boulevard Joseph II L-1840 Luxembourg
Grand Duchy of Luxembourg

Alberto Pettiti
Director, Ersel S.p.A
Deputy General Manager, Ersel S.p.A
Piazza Solferino, 11
I-10121 Torino
Italy

Edoardo Tubia
Independent Director
35, Boulevard Joseph II L-1840 Luxembourg
Grand Duchy of Luxembourg

Conducting Officers:

Andrea Saura
Ersel Gestion Internationale S.A.
35, Boulevard Joseph II L-1840 Luxembourg
Grand Duchy of Luxembourg

Henri Ninove
Ersel Gestion Internationale S.A.
35, Boulevard Joseph II L-1840
Grand Duchy of Luxembourg

Pierre Thibault Aveline de Rossignol
35, Boulevard Joseph II L-1840 Luxembourg
Grand Duchy of Luxembourg

Depositary Bank and UCI Administrator
CACEIS Bank, Luxembourg Branch
5, Allée Scheffer,
L-2520 Luxembourg

Auditors of FCP GLOBERSEL and of its management company ERSEL GESTION INTERNATIONALE S.A.
Ernst & Young - Cabinet de revision agréé
35E Avenue John F. Kennedy,

L-1855 Luxembourg

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DATA PROTECTION

In the course of business, the Management Company will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Management Company is the data controller within the meaning of EU Regulation 2016/679 of 27th April 2016 concerning the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**Data Protection Regulation**") and undertakes to hold any personal data provided by investors in accordance with Data Protection Regulation.

The Management Company and/or any of its delegates or service providers may process prospective investor's personal data (including, but not limited to the name, address and invested amount of each investor) for any one or more of the following purposes and legal bases:

1. to operate the Fund, including managing and administering a unitholder's investment in the Fund on an on-going basis which enables the Fund, the Management Company and/or any of its delegates or service providers and investors to satisfy their contractual duties and obligations to each other;

2. to comply with any applicable legal, tax or regulatory obligations on the Fund and the Management Company and/or any of its delegates or service providers under any applicable laws and anti-money laundering and counter-terrorism legislation and to preserve the interests of the Fund and its investors;

3. for any other legitimate business interests of the Fund and the Management Company or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or

4. for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Management Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in the European Union or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Fund and the Management Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Management Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place or the transfer is in reliance on one of the derogations provided for under Data Protection Regulation. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The U.S. is also deemed to provide an adequate level of protection where the U.S. recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Management Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission).

The Management Company and/or any of its delegates or service providers will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention

periods, the Management Company and/or any of its delegates or service providers shall have regard to any applicable statutes of limitation and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, and tax legislation. The Management Company and/or any of its delegates or service providers will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where processing is carried out on behalf of the Management Company, the Management shall engage a data processor, within the meaning of Data Protection Regulation, which provides sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Regulation, and ensures the protection of the rights of investors. The Management Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Regulation, including to process personal data only in accordance with the documented instructions from the Management Company.

Where specific processing is based on an investor's consent, that investor has the right to withdraw such consent at any time. Investors have the right to request access to their personal data kept by the Management Company and/or any of its delegates or service providers, and the right to rectification or erasure of their data and to restrict or object to processing of their data, subject to any restrictions imposed by Data Protection Regulation. Where personal data are processed for direct marketing purposes, the investor shall have the right to object in writing at any time processing of personal data concerning him or her for such marketing, which includes profiling to the extent that it is related to such direct marketing. For these purposes, the investor may contact the Management Company.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data or an objection to processing may result in the Management Company being unable to permit, process, or release the investor's investment in the Fund and this may result in the Management Company terminating its relationship with the investor.

MAIN FEATURES OF THE FUND

GLOBERSEL (the "**Fund**") is a mutual fund in transferable securities under Luxembourg law established in Luxembourg in accordance with Section I of the Law of 17th December 2010 ("**Law of 2010**"), specific to undertakings for collective investment in transferable securities ("**UCITS**") as defined in Directive 2009/65/EC of the European Parliament and of the Council of 13th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("**UCITS Directive**") as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23rd July 2014 for all matters relating to the depositary functions, remuneration policies and sanctions ("**UCITS V Directive**"). The currently applicable management regulations (the "**Management Regulations**") were signed on 12th December 2012. The Management Regulations were amended for the last time on 19th April 2017 and entered into force on the same date. The latest amendments to the Management Regulations were deposited for publication in the Official Gazette of Luxembourg (the "**Official Gazette**") on 5th May 2017. The Fund is registered with the Companies Register of Luxembourg under number K1121 where the Management Regulations have been filed and may be consulted and from which a copy may be obtained.

The prospectus may not be used for the purposes of offering and soliciting sales in any country or in any circumstance where such an offer or solicitation is not authorised. In particular, the units of the Fund have not been registered in accordance with any whatsoever of the legislative or regulatory provisions of the United States of America. As a consequence, the units of the Fund may not be the object of any public offer in that country. They may only be subscribed by American residents on the sole condition and within the strict limits provided by the applicable American legislation and regulations.

The duration of the Fund is unlimited. The reference currency of the Fund is the euro. As a Mutual Fund, GLOBERSEL has no legal personality.

The assets of the Fund are the joint and indivisible property of the participants and are segregated from the assets of the Management Company. All the units have equal rights. No restrictions are established on the amount of the assets or on the number of units representing Fund assets. The net assets of the Fund must amount to at least euro 1,250,000.

The rights and the obligations of the unit holders of the Fund, of the Management Company and of the Depositary Bank are defined by the Management Regulations.

In agreement with the Depositary Bank, the *Commission de Surveillance du Secteur Financier* ("**CSSF**") and in compliance with the law of Luxembourg, the Management Company may make any amendments to the Management Regulations considered to be in the interest of the unit holders. The amendments come into force on the date that the altered Management Regulations are signed.

The Management Regulations do not envisage General Meetings of the participants.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its rights directly against the Fund, if the investor is registered in his/her/its name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

MANAGEMENT COMPANY

The Fund is managed by ERSEL GESTION INTERNATIONALE S.A. (the "**Management Company**") established in Luxembourg for an unlimited period of time as a *société anonyme* (public liability company) incorporated under Luxembourg law on 18th April 1989. The registered office of the Company is in Luxembourg, 35, Boulevard Joseph II, L-1840, Luxembourg. The Articles of Association of the Management Company were published in the Official Gazette of Luxembourg *Recueil Spécial des Sociétés et Associations* on 17th July 1989. They were registered in the Luxembourg Companies Register and they were amended for the last time on 14th June 2016 and published in the Official Gazette on 24th June 2016. The Company is registered in the Companies Register of Luxembourg under number B30350. The Management Company already manages the Luxembourg Leadersel Mutual Fund, the Luxembourg Systematica Mutual Fund as well as the variable share companies Ersel Sicav and Value SIF.

The registered capital of the Management Company amounts to € 600,000.00, is fully paid up, and is represented by 6,000 shares of a nominal value of €100.00 each, registered in the name of Ersel SIM S.p.A., having its registered office at 11 Piazza Solferino, 10121 Torino, Italy.

The Management Company is regulated by the provisions of chapter 15 of the Law of 2010 and carries out the functions provided in chapter 15 of the Law of 2010.

In compliance with the provisions of Chapter 15 of the Law of 2010, the Management Company has in place a remuneration policy in line with the UCITS V Directive.

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the Fund's Management Regulations or the present prospectus.

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

Variable remuneration is paid on the basis of the assessment of performance which is set in a multi-year framework appropriate to the holding period recommended to the unitholders in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

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.

The Management Company complies with the above principles in a way and to the extent that is appropriate to its size, internal organisation and the nature, scale and to the complexity of its activities.

The updated remuneration policy containing further details and information in particular on how the remuneration and advantages are calculated and the identity of the persons responsible for the attribution of the remuneration and advantages is available at https://www.ersel.it/RemunerationPolicy.pdf.

A paper copy of the remuneration policy or its summary may be obtained free of charge upon request at the registered office of the Fund.

The remuneration policy is reviewed at least on annual basis.

The Management Company shall be responsible for the functions pertaining to its status as sponsoring entity of the Fund within the meaning of the United States Foreign Account Tax Compliance Act ("**FATCA**").

DEPOSITARY BANK AND UCI ADMINISTRATOR

Depositary Bank

CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B209310 is acting as depositary of the Fund (the "**Depositary Bank**") in accordance with a depositary agreement dated 6th June 2006 as amended from time to time (the "**Depositary Agreement**") and the relevant provisions of the Law of 2010 and UCITS Rules (this term refers to the set of rules formed by the UCITS Directive, the Law of 2010, the Commission Delegated Regulation (EU) 2016/438 of 17th December 2015 supplementing the UCITS Directive, CSSF Circular 16/644 and any derived or connected EU or national act, statute, regulation, circular or binding guidelines).

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the Management Company, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary Bank.

The Depositary Bank has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law of 2010. In particular, the Depositary Bank shall ensure an effective and proper monitoring of the Fund' cash flows.

In due compliance with the UCITS Rules the Depositary Bank shall:

- ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Fund are carried out in accordance with the applicable national law and the UCITS Rules or the Management Regulations;

- ensure that the value of the units is calculated in accordance with the UCITS Rules, the Management Regulations and the procedures laid down in the UCITS V Directive;

- carry out the instructions of the Fund, unless they conflict with the UCITS Rules, or the Management Regulations;

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

- ensure that an Fund's income is applied in accordance with the UCITS Rules and the Management Regulations.

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 V 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/ third party custodians as appointed from time to time. The Depositary Bank's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law of 2010.

A list of these correspondents/third party custodians is available on the website of the Depositary Bank (www.caceis.com, section “veille règlementaire”). 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 Fund, 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 Fund’s and its unitholders’ 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:

- identifying and analyzing potential situations of conflicts of interest;
- 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 unitholders of the Fund, 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 Fund, notably, administrative agency and registrar agency services.

The Management Company and the Depositary Bank may terminate the Depositary Agreement at any time by giving ninety (90) days’ notice in writing. The Management Company may, however, dismiss the Depositary Bank only if a new depositary bank is appointed within two (2) 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 Fund's investments. The Depositary Bank is a service provider to the Fund 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 Fund.

UCI Administrator

CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310 is acting as UCI administratort of the Fund (the "UCI **Administrator**") in accordance with a Central Administration Services Agreement dated 15th November 2010, as amended from time to time (the " **Central Administration Services Agreement** ") and the relevant provisions of the Law of 2010 and the UCITS Rules.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

This Central Administration Services Agreement has been concluded for an indefinite duration and may be terminated by either party in writing with three (3) months' notice.

In its capacity as UCI Administrator, CACEIS Bank, Luxembourg Branch shall notably perform the calculation of the net asset value of units for each existing class or sub-fund of the Fund, management of accounts, the preparation of the annual and semi-annual financial statements, the communication with investors within the meaning of CSSF Circular 22/811 as amended (including drafting and dispatching of financial reports and contract notes) as well as the mailing of statements, reports, notice and other documents to the concerned Shareholders of the Fund.
In its capacity as the transfer and registration agent, CACEIS Bank, Luxembourg Branch shall in particular reconciliate subscription, redemption and conversion applications and keep and maintain the register of unitholders of the Fund. In such capacity it is also responsible for supervising anti-money laundering measures under the AML Regulations. CACEIS Bank, Luxembourg Branch may request documents necessary for identification of investors.

For its services, CACEIS Bank, Luxembourg Branch shall receive remuneration as detailed in the Central Administration Services Agreement.

THE MANAGERS

The Management Company is responsible for the investment policy of the Fund.

For the execution of the investment policy of the Sub-Fund **Globersel - Alkimis Equity Alpha**, the Management Company has delegated management activities to Alkimis SGR S.p.a, Via dei Bossi 4, 20121 Milano, Italy, on the basis of an investment management agreement signed on 26th April 2021.

For the execution of the investment policy of the Sub-Fund **Globersel - Global Equity - Walter Scott & Partners**, the Management Company has delegated management activities to Walter Scott & Partners Limited, One Charlotte Square, Edinburgh, EH2 4DZ, United Kingdom, on the basis of a management agreement signed on 28th December 2007.

Until 26th of August 2025 for the execution of the investment policy of the Sub-Fund **Globersel - Emerging Bond - Insight Investment**, the Management Company has delegated management activities to Insight Investment Management (Global) Limited, 33 Old Broad Street, London, EC2N 1HZ, United Kingdom.

For the execution of the investment policy of the Sub-Fund **Globersel - Broncu**, the Management Company has delegated management activities to J.P. Morgan SE. Taunustor1 (Taunus Turm), 60310 Frankfurt am Main, Germany and, also on the services of Hauck & Aufhäuser Fund Services S.A., 1c rue Gabriel Lippmann 5365 Munsbach, Luxembourg.

Each manager is referred to singly as “the Manager”.

The Manager’s core activity is asset management.

The Manager assists the Management Company in choosing its investment and placement policy for the Fund and sees to the daily management thereof.

As part of its duties, the Manager may, assuming full responsibility therefore and at its expense, consult investment advisors of its choice. It will also guarantee monitoring of performance, compliance with regulations regarding positions and control of subscriptions and redemptions, with the supervision and under the responsibility of the Management Company.

DISTRIBUTOR AND NOMINEE

The Management Company may delegate under its responsibility and control to one or several banks, financial institutions and other authorised Intermediaries as distributors to offer and sell the units to investors and handle the subscription, redemption, conversion or transfer requests of Unit Holders.

Certain of the distributors may offer a nominee service to investors (each in that capacity, a "**Nominee**") and investors should make enquiries in that respect with their usual distributor. In such cases, applications should be directed to the relevant Nominee and payment arrangements should be made as advised by the Nominee. The Nominee will apply for units and hold them under the terms of the relevant Nominee agreement. Investors who subscribe units through the intermediary of the Nominee may request direct ownership by submitting an appropriate request in writing to the Nominee in accordance with the terms of the relevant Nominee agreement.

FUND INVESTMENT OBJECTIVES AND POLICY

General policy

GLOBERSEL offers the public the opportunity of investing in a basket of international securities. In fixing its investment policy, the Management Company considers that protection and growth of capital are of equal importance. To this end, a broad diversification of geographical and currency risks is assured and also as regards the types of securities.

The units issued by the Fund may belong to various classes (see “The units” below).

The investment policy of each Sub-Fund is established by the Management Company according to the current political, economic, financial and monetary climate.

In any case, the assets of each Sub-Fund are exposed to market fluctuations and to the risks inherent in all investments in securities; therefore, achievement of the objectives of the various Sub-Funds cannot be guaranteed.

The financial techniques and instruments described in the last chapter of this prospectus may be used in managing the Sub-Funds described in the “Available Sub-Funds” chapter, in accordance with the limits established therein, also for purposes other than hedging. Investors are warned that transactions on futures and/or options are characterised by a high level of volatility and risk. These operations will be used only and exclusively to the extent that they comply with the investment policy of the Sub-Funds.

The Management Company reserves the right, according to its own requirements, to create new sub-funds. In this case, this prospectus will be amended accordingly.

The Management Company may also decide to wind up a Sub-Fund.

In managing the various Sub-Funds, the Fund must comply with the investment limits set forth in this prospectus.

RISK WARNINGS

Investors should give careful consideration to the following risks factors in evaluating the merits and suitability for any investment in units of a Sub-Fund. The description of the risks made below is not, nor is it intended, to be exhaustive.

In addition, not all risks listed necessarily apply to each Sub-Fund. What risk factors will be of relevance for a particular Sub-Fund depend form various matters included, but not limited to, the Sub-Fund's investment policy.

Potential investors should review the prospectus in its entirety and the relevant KIID and, as appropriate, consult with their legal, tax and financial advisors prior to making a decision to invest. There can be no assurance that the Sub-Fund(s) of the Fund will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Sub-Funds that invest in emerging countries

Definition of "emerging countries"

"Emerging countries" are countries other than United States of America and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand. However, emerging countries may also include those European Economic Area countries that do not have fully developed financial markets.

Warnings

Potential investors are warned that investment in one or more Sub-Funds of the Fund that invest or may invest in emerging countries involves a high level of risk due the political and economic situation of emerging markets which may affect the value of such investment. Furthermore, investment in such Sub-Funds involves risks related to restrictions imposed on foreign investments, the counterparties involved, higher market volatility and also risks of a lack of liquidity of certain portfolio lines. Investors' attention is drawn on the operating and supervisory conditions of these markets which may differ from the main standards of major international markets.

Certain emerging markets are not as secure as most of the international markets of developed countries. For this reason, operations relating to portfolio, settlement and custody transactions carried out on behalf of these Sub-Funds and of the Depositary Bank, could entail a higher risk. The Fund and the investors in these Sub-Funds accept such risks.

The settlement and safekeeping systems of emerging markets are not organized in the same way as those of developed countries. Furthermore, the standard of these services may not be as high and the controlling and supervising authorities may not be developed to a similar extent. There is, therefore, a risk that settlement may be postponed with consequent drawbacks as regards the liquidity of such securities.

Specific East European markets are also affected by risks regarding the settlement and safekeeping of securities due to the fact that, in certain countries (such as Russia), securities are not delivered physically and ownership of the securities is confirmed only by recording in the shareholders register of the issuer company. Each issuer company is responsible for appointing a registrar.

In the case of Russia, this situation has resulted in wide scale geographic diffusion of thousands of registers all over the country. The Russian "Federal Commission for Securities and Capital Markets" has defined responsibilities regarding the keeping of the registers, including proof of ownership and transfer procedures.

Due to the difficulties encountered by the Commission in applying the rules, risks of losses and errors continue to exist and there is no valid guarantee that the registrars act in accordance with current legislation and regulations.

Certain procedures, widely accepted in the sector, are now being applied. Following registration, the registrar issues an abstract of the shareholders register. Ownership of the securities is, however, tied to recording in the shareholders register rather than to ownership of the abstract thereof. The abstract, which only proves registration, is not negotiable and, therefore, has no intrinsic value. Furthermore, it is not accepted as proof of ownership by the registrar and no obligation exists to inform the Depositary or its local agents in Russia of any modifications to the shareholders register. Consequently, Russian securities are not deposited at the Depositary or its local agents in Russia.

For this reason, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the conventional sense. The registrars are not agents, either of Depositary or of its local agents in Russia and are not liable to them.

The Depositary has accepted to contribute its know-how and experience in selecting, appointing and supervising its agents. Its liability extends only to the actions and omissions of most of its agents but does not extend to any loss deriving, directly or indirectly, from the actions or omissions of its agents in specific emerging countries, including Russia and Ukraine, provided that it has not committed negligence or wilful default in selecting, appointing and supervising its agents. Furthermore, the Depositary is not liable for any losses due to liquidation, bankruptcy or insolvency of any agents. The liability of the Depositary Bank extends only and exclusively to its own negligence or gross misconduct and does not extend to any loss deriving from the liquidation, bankruptcy, negligence or gross misconduct of any registrar. In the case of such losses, the Fund will have to purse its rights directly against the issuer and/or its appointed registrar.

The risks indicated here, relating to the safekeeping of securities in Russia, may exist, in a similar manner, in other East European countries and in the emerging countries in which the Fund may invest.

All the investment policies for all the Sub-Funds are described in the Sub-Fund sheets (hereinafter referred to as the "Sub-Fund Schedules") appended to this prospectus.

Specific risks for investments on the Chinese Interbank Bond Market ("CIBM")

Overview

CIBM is an OTC market outside the two (2) main stock exchanges in the PRC (i.e. SSE and SZSE) and was established in 1997. On CIBM, institutional investors (including domestic institutional investors but also QFIIs, RQFIIs as well as other offshore institutional investors, subject to authorization) trade sovereign, government and corporate bonds on a one-to-one quote-driven basis. CIBM accounts for more than ninety-five per cent (95%) of outstanding bond values of total trading volume in the PRC.

The main debt instruments traded on CIBM include government bonds, financial bonds, corporate bonds, bond repo, bond lending, People's Bank of China ("PBOC") bills, and other financial debt instruments.

CIBM is regulated and supervised by PBOC. PBOC is responsible inter alia for establishing listing, trading, functioning rules applying to CIBM and supervising the market operators of CIBM. CIBM facilitates two (2) trading models: (i) bilateral negotiation and (ii) click-and-deal. Under the China Foreign Exchange Trading System ("CEFTS"), which is the unified trading platform for CIBM, negotiation is applied to all inter-bank products while one-click trading is only applied to spot bonds and interest rate derivatives.

The market-maker mechanism, whereby an entity ensures bilateral quotations for bonds, was officially introduced in 2001 to improve market liquidity and enhance efficiency. Deals through market making can enjoy benefits such as lower trading and settlement costs.

Bond transactions must be conducted by way of bilateral trading through independent negotiations and be concluded on a transaction by transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction. Both parties to a transaction shall typically, in accordance with the contract, promptly send instructions for delivery of bonds and funds, and shall have sufficient bonds and funds for delivery on the agreed delivery date.

China Central Depository & Clearing Co., Ltd ("CCDC") will deliver bonds on time according to the instructions matching with elements sent by both parties to a transaction. Fund clearing banks (e.g. settlement agent banks of foreign institutional investors) will handle the transfer and settlement of bond transaction payments on behalf of participants in a timely manner.

Investors should be aware that trading on CIBM exposes the Fund to increased counterparty and liquidity risks.

Risks associated with the investment through Bond Connect

In addition to opening an account in China to access the CIBM, some Funds may invest in the bonds tradable in the PRC ("Bond Connect Securities") through connection between the PRC and Hong Kong financial infrastructure institutions ("Bond Connect").

Regulatory risk

Any laws, rules, regulations, policies, notices, circulars or guidelines published or applied by any of the Bond Connect Authorities (as defined below) are subject to change from time to time in respect of Bond Connect or any activities arising from Bond Connect (the "Applicable Bond Connect Laws and Rules") and there can be no assurance that Bond Connect will not be abolished. The relevant Fund may be adversely affected as a result of any change in the Applicable Bond Connect Laws and Rules. "Bond Connect Authorities" refers to the exchanges, trading systems, settlement systems, governmental, regulatory or tax bodies which provide services and/or regulate Bond Connect and activities relating to Bond Connect, including, without limitation, the PBOC, the Hong Kong Monetary Authority ("HKMA"), the Hong Kong Exchanges and Clearing Limited, CFETS, the Central 76

Money markets Unit of the HKMA ("CMU"), CCDC and Shanghai Clearing House ("SHCH") and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Bond Connect.

No off-market transfer

Pursuant to the Applicable Bond Connect Laws and Rules, the transfer of Bond Connect Securities between two (2) members of CMU and between two (2) CMU sub-accounts of the same CMU Member is not allowed.

No amendment of orders, limited cancellation of orders

Pursuant to the Applicable Bond Connect Laws and Rules, instructions relating to sell and buy orders for Bond Connect Securities may only be cancelled in limited circumstances pursuant to the Applicable Bond Connect Laws and Rules and that instructions may not be amended.

Hedging Activities

Hedging activities are subject to the Applicable Bond Connect Laws and Rules and any prevailing market practice and there is no guarantee that the Fund will be able to carry out hedging transactions at terms which are satisfactory to the Management Company and the relevant Manager of the relevant Sub-Fund. The Fund may also be required to unwind its hedge in unfavourable market conditions.

Tax

The treatment of tax under the Applicable Bond Connect Laws and Rules is not clear. Accordingly, where the Applicable Bond Connect Laws and Rules require a custodian/ clearing house / any other agent stipulated by such rules to withhold any tax, or where such custodian / clearing house / any other agent has a reasonable basis for believing that such withholding may be required, the custodian / clearing house / any other agent may do so at the rate required by the regulation, or if in the custodian's opinion the Applicable Bond Connect Laws and Rules are not very clear on the rate, at such rate as the custodian/ clearing house / any other agent may, reasonably determine to be appropriate. Tax may be withheld on a retroactive basis.

Nominee Holding Structure

Bond Connect Securities will be held by CMU, opening two (2) nominee accounts with CCDC and SHCH. While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognized under the Applicable Bond Connect Laws and Rules, 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 or other legal proceedings.

THE UNITS

The assets of the Fund are divided into units that represent all the rights of the unit holders.

Not all the units of the various Sub-Funds may have the same value. All the units belonging to the same class of one and the same Sub-Fund have the same rights as regards redemption, information, settlement and for any other effects.

Meetings of the unit holders are not envisaged.

The Fund will issue capitalisation units. However, the Fund is specifically authorised, according to a resolution by the Board of Directors of the Management Company, to issue two (2) types of units for each Sub-Fund, i.e. distribution units and capitalisation units.

The units of each Sub-Fund, class and/or sub-class will be issued in registered form.

Unless otherwise established, investors who have requested a nominative registration in the register will not receive representative certificates of their units. Instead of the certificate, a confirmation of registration in the register will be issued. Fractions of registered units may be issued up to a thousandth of unit.

In the case in which distribution units are issued, these units generate dividends whose amount is decided by the Management Company inside each Sub-Fund, while the portion of the income corresponding to the capitalisation units will not be distributed but added to the portion of the net assets of the Sub-Fund related to such units. The Management Company may, at any time, decide to create another class of units or of sub-classes of units with their own specific characteristics. In this case, the prospectus will be updated.

The units of this Fund may be listed on the Luxembourg Stock Exchange.

Detailed information regarding the various classes of units issued can be found under “Sub-Fund Schedules” (see the chapter on “Available Sub-Funds”).

SUBSCRIPTION CONDITIONS AND PRICE

The units of each Sub-Fund of the Fund may be subscribed at the counters of the Depositary Bank, at the Management Company and at other banks and institutes authorised by the Management Company.

The investor must complete and sign a subscription request under reserve of acceptance by the Management Company. For each class of units, a minimum subscription may be defined as indicated in the "Sub-Fund Schedules" (see the chapter on "Available Sub-Funds").

Subscription requests may be expressed in amount or in number of units. If the minimum subscription is not reached, subscription may be closed.

Unless otherwise specified in the "Sub-Fund Schedules", subscription lists are closed daily at the registered office of the Management Company at 4 p.m. on the business day preceding the Calculation Date.

The subscription price corresponds to the net asset value determined on the first Calculation Date after acceptance of the subscription request by the Management Company.

The Fund will not charge any subscription fees unless the Sub-Fund Schedule provides otherwise.

The subscription price may be increased by any tax and stamp duty applicable in the various countries in which the units are placed.

The subscription price is paid in the currency in which the Sub-Fund class concerned is denominated.

The subscription price will have to be paid into the account of the Sub-Fund within two (2) business days after the Calculation Date of the net asset value applicable to the subscription.

The units are issued against payment of the subscription price and the representative certificates or confirmations of subscription of the units are delivered by the Depositary Bank within fifteen (15) days from payment of the equivalent value of the subscription price into the assets of the Fund.

The units may also be used in return for contributions in kind, but in compliance with the requirement for an assessment report to be submitted by the Fund's Auditor designated by the Management Company in accordance with the Management Regulations, with this prospectus, and with the investment limits of the Sub-Fund concerned. The securities accepted in payment of a subscription are assessed, for the transaction's needs, at the last buyer rate on the market at the time of the assessment. Such accepted securities must be compliant with the investment policy of the Sub-Fund concerned. The investor, who has requested the contribution in kind, will bear the costs resulting from and associated to the subscription in kind. The Management Company has the right to refuse any contribution in kind without having to justify its decision.

The Management Company may, at any time, at its discretion and without further justification, refuse subscription of the units of one or more Sub-Funds in one or more countries. If a request is rejected, the Company will return, at the risk of the requesting party, payments with the request or the balance thereof within five (5) business days from the date of refusal. Such payments may be made by cheque or by telegraphic bank transfer, at the expense of the subscriber.

The Management Company may at all times and at its discretion, suspend temporarily, stop definitively, or limit the issuance of units to natural or legal persons residing or domiciled in certain countries and territories or to exclude them from the acquisition of units, if such a measure is necessary to protect the unit holders or the Fund.

Unit holders are advised that the classes of units, as defined in the Sub-Fund Schedules, are accessible only to certain types of investosr.

REDEMPTION CONDITIONS AND PRICE

Unit holders may request redemption of the units at any time by sending an irrevocable redemption instruction to the Depositary Bank, to the Management Company, to the other banks or other institutions authorised for this purpose by the Management Company.

The Management Company may fix a minimum redemption amount for each class of units set forth in the "Sub-Fund Schedules" (see the chapter on "Available Sub-Funds"). In this case, the prospectus will be amended accordingly and holders will be informed.

The redemption price of the units will correspond to the net asset value of the Sub-Fund determined on the first Calculation Date after the date of acceptance of the redemption instruction by the Management Company. Unless specified otherwise in the "Sub-Fund Schedules", the redemption lists are closed at the registered office of the Management Company by 4 p.m. of the business day prior to the Calculation Date.

The Fund will not charge any redemption fee unless the Sub-Fund Schedule provides otherwise.

However, any expense, tax, stamp duty may be deducted from the amount redeemed.

The equivalent value of the units submitted for redemption will be paid in the currency in which the class concerned is denominated, by bank transfer within seven (7) business days from the Calculation Date of the net asset value applicable to redemption.

The redemption price may be higher or lower than the prices paid at the time of issue according to the evolution of the net asset value.

Redemption requests may be expressed in amount or in number of units. If the minimum subscription is not reached, the redemption request may be cancelled.

As decided by Management Company in prior agreement with the Depositary Bank, redemption of units may be suspended in the cases described in the chapter on "SUSPENSION OF CALCULATION OF NET ASSET VALUE, OF THE ISSUE, OF REDEMPTION AND CONVERSION OF THE UNITS", if necessary in the interest of the public or of the participants and, in particular, in cases in which the legal, regulatory or contractual provisions that regulate the activity of the Fund are not complied with.

Furthermore, the Management Company may at all times redeem units held by investors who are excluded from the right to acquire or to hold units. This shall apply in particular to US citizens, to non-institutional investors who invest in units reserved for institutional investors, as defined in the Sub-Fund Schedules.

Following a written request from redeeming Unitholders, the Management Company may, at the request of the unit holder who wishes to redeem his units, grant, in whole or in part, a distribution in kind of securities of any class of units to the latter, instead of redeeming the units in cash. The investor, who has requested to redeem his units in kind, will assume the costs. The Management Company will proceed thus if it should deem that such a transaction is not carried out to the detriment of the interests of the remaining unit holders of the class concerned. The assets to be transferred to this unit holder shall be determined by the Management Company and the Manager, in consideration of the practical aspect of the transfer of assets, the interests of the class of units and the other holders, and the holder of the unit. This unit holder may be liable for expenses including, but not limited to, brokerage fees and/or local taxes on the transfer or sale of securities thus received in return from the redemption. The net proceeds from the sale of these securities by the unit holder requesting the redemption may be less than or equal to the corresponding price of redemption for the units of the class concerned, in view of the conditions of the market and/or the differences in the prices charged for such sales or transfers and for the calculation of the net asset value

of this class of units. The choice of assessment and the transfer of assets will be indicated in an assessment report by the auditor of the Fund.

Liquidity Management Tools

To ensure fair distribution of costs (including transaction costs and market impact loss), management of mismatch between liquidity requirements and portfolio composition, particularly in stress scenarios, and to protect remaining investors, the Management Company may apply the following liquidity management tools:

Deferral of Redemptions

Where redemption requests received for a Sub-Fund on any Valuation Day exceed 10% of the net assets thereof, or if it is in the best interests of the Sub-Fund or a Class, the Fund may decide to:

(i) Either totally or partially defer such redemption request until completion of the redemption requests in the best interest of Unitholders, deferred redemption requests will be dealt in priority to any redemption requests received later on, as the case may be; or

(ii) Delay the date of the payment of such redemption request until the closest next Luxembourg Bank Business Day on which liquidity has been made available.

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

Anti-dilution mechanism

On any Valuation Day, if the net subscription or redemption amount represents a minimum of 20% of the net assets of a Sub-Fund, the Fund may implement an anti-dilution mechanism to protect Unitholders' interests by charging subscribing or redeeming investors with operational expenses up to 2%. The anti-dilution mechanism is for the benefit of the relevant Sub-Fund to cover the corresponding operational costs for the purchase or sale of the underlying assets in portfolio. The rate of such a mechanism will be the same for all Unitholders having requested the subscription or the redemption of their shares on the same Valuation Day.

Redemption in kind

Redemptions in kind of Units held by Professional Investors are possible subject to their approval and, provided that the remaining Unitholders are not prejudiced and the repayment corresponds to the proportion of assets held by the Fund. The type and kind of assets that may be transferred in such cases will be determined by the Management Company and the Manager, taking into account the investment policy and restrictions of the sub-fund in question. The costs of such transfers will be borne by the applicant. The net proceeds from the sale of these securities by the unit holder requesting the redemption may be less than or equal to the corresponding price of redemption for the units of the category concerned, in view of the conditions of the market and/or the differences in the prices charged for such sales or transfers and for the calculation of the net asset value of this category of units. The choice of assessment and the transfer of assets will be indicated in an assessment report by the auditor of the Fund.

Furthermore, when there is insufficient liquidity or in other exceptional circumstances, the Fund reserves the right to suspend redemptions in the best interest of Unitholders.

CONVERSION

Investors may transfer all or part of their investment from one Sub-Fund to another or from one class or sub-class to another of the Fund. Conversion will be made at no cost unless specified otherwise in the "Sub-Fund Schedules" (see the "Available Sub-Funds" chapter).

Possibility of transfer from one Sub-Fund to the other

Investors may transfer all or part of their investment from one Sub-Fund to another. They must fill in and sign an irrevocable conversion order, with suitable conversion instructions, addressed to the Depositary Bank, to the Management Company, to the other banks and institutions authorised for that purpose by the Management Company.

Conversion is at the net asset value on the Calculation Date following the date of acceptance of the conversion application by the Management Company. Conversion lists are closed at the registered office of the Management Company by 4 p.m. of the business day prior to the Calculation Date.

Conversion may not be made if calculation of the net value of one of the Sub-Funds concerned is suspended.

The number of units allocated in the new sub-fund is established according to the following formula:

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

where:

A is the number of units of the new sub-fund subscribed;

B is the number of units submitted for conversion;

C is the net asset value of a unit of the Sub-Fund whose units are presented for conversion, on the date of the operation;

D is the net asset value of a unit of the new sub-fund on the day of the operation;

E represents the exchange rate between the two sub-funds concerned on the date of the operation.

A minimum conversion amount may be fixed by class of units of any subscription contained in the "Sub-Fund Schedules" (see the chapter on "Available Sub-Funds"). Subscription requests may be expressed in amount or in number of units. If the minimum subscription is not reached, the redemption request may be cancelled.

Possibility of conversion from one category or sub category of units with in the same Sub-Fund

If units are issued, investors may convert the units of one class or sub-class into units of another class or of another sub-class inside the same Sub-Fund.

Investors must fill in and sign an irrevocable conversion order, with suitable conversion instructions, addressed to the Depositary Bank, to the Management Company, or to the other authorised banks and institutions, together with the confirmations of subscription or, where applicable, by the related certificates. Conversion will be at the net value on the Calculation Date immediately following the date of acceptance of the conversion application by the Management Company. The conversion lists will be closed by and no later than the business day prior to the Calculation Date.

Conversion may not be made if calculation of the net value of the Sub-Fund concerned is suspended.

Investors are advised that they may convert their units from one category to another only if they meet the definition of that category or sub-category of units as indicated in the Sub-Fund Schedules.

At any time and notwithstanding the above, the Management Company may decide to refuse subscription of specific types of units. It may decide to establish other classes or sub-classes of units, subscription of which is restricted to specific investors. In this case, the prospectus will be updated.

MARKET TIMING AND LATE TRADING

In accordance with Circular 04/146 issued by CSSF (*Commission de Surveillance du Secteur Financier*) regarding the protection of UCI (Undertakings for Collective Investment) and their investors against Late Trading and Market Timing practices (hereinafter the "**Circular**"), the Fund does not authorise practices associated to Market Timing and Late Trading.

The Circular defines Market Timing as "*an arbitrage method through which an investor systemically subscribes and redeems or converts units or shares of the Fund within a short period of time by taking advantage of timing differences and/or imperfections or deficiencies in the method of determination of the NAV of the Fund*".

The Circular defines Late Trading as “acceptance of a subscription or conversion or redemption instructions after the time limit fixed for accepting instructions on the relevant day (cut-off time) and execution of this instruction at the price based on the net asset value (NAV) applicable to such day”.

The Board of Directors reserves the right to refuse subscription and conversion instructions received from an investor suspected by the Fund of adopting such practices and to take, where necessary, the measures necessary to protect other investors of the Fund.

Subscription, redemption and conversion are carried out at unknown NAV.

CALCULATION OF NET ASSET VALUE

The accounts of each Sub-Fund are kept in the respective valuation currency. The net asset value of each Sub-Fund is calculated by the Management Company or by the institution appointed thereby (Calculation Date). The net asset value of each Sub-Fund is calculated on the basis of the last closing price available on the Calculation Date (or on the basis of the last closing price on the date of the net asset value when the Sub-Fund Schedule so provides) on the markets where the securities held in the portfolio are principally traded. It is expressed in the Sub-Fund's valuation currency.

If the Calculation Date of the net asset value is not a full banking day in Luxembourg, the Calculation Date of the net asset value is postponed to the next full banking day.

When the valuation day date of the net asset value (hereinafter referred to as the "**Valuation Day**") is not a banking day in Luxembourg, it will be postponed to the next banking day. In such a case, the Calculation Date of the net asset value will be moved forward to the banking day in Luxembourg following the Valuation Day.

For each Sub-Fund, the net asset value is equal to the aggregate value of the assets of the Sub-Fund, minus liabilities.

The per-unit net asset value of each class varies according to payment of dividends to the distribution units. Payment of dividends generates an increase in the ratio between the value of the capitalisation units and the value of the distribution units. This ratio is referred to as "parity". Parity is obtained by dividing, on the ex-coupon day, the net asset value of the capitalisation unit by the net asset value of the ex-coupon distribution unit.

For each Sub-Fund, the net asset value of the capitalisation unit is equal to the net asset value of the distribution unit multiplied by the "parity" relating to this Sub-Fund.

The net asset value of the distribution unit is obtained applying the following formula:

$$\frac{\text{Total net assets of the Sub-Fund}}{\text{Number of distribution units + (number of capitalisation units x parity)}}$$

Assets are priced as follows

(a) securities listed on an official Stock Exchange or other regulated market, recognized as regularly functioning and open to the public are priced according to the most recent closing price available on the Calculation Date, (or on the basis of the last closing price on the date of the net asset value when the Sub-Fund Schedule so provides) unless such price is not considered representative. If the security is listed on several markets, it is priced according to the price on the main market;

(b) securities not listed on an official Stock Exchange or other regulated market, recognized as regularly functioning and open to the public and listed securities whose price is not representative are priced at presumed realisable value, according to valuation criteria considered prudent by the Management Company;

(c) liquid deposits will be priced according to their nominal value plus interest accrued up to the end of the previous banking day;

(d) assets denominated in a different currency from that of valuation are converted into the latter currency at the average exchange rate available on the day before the Calculation Date.

Where possible, income from investments, interest payable, expenses and other charges are valued on each Calculation Date. They will be added up to the end of the banking day prior to the related Calculation Date. Any commitment of the Fund according to the valuation made, in good faith, by the Management Company are taken into account.

In the case in which, due to exceptional events, it is not possible or suitable to determine the values according to the above rules, the Management Company is authorised to adopt other more suitable valuation criteria.

In the case of major subscription or redemption requests, the Management Company reserves the right to value the Sub-Fund unit in question on the basis of the price of the Stock Exchange session during which it was able to make the necessary purchases or sales of securities on behalf of the Fund. In this case, a single method of calculation is applied to subscription and redemption requests presented concurrently.

The net asset value of each Sub-Fund is available at the registered office of the Management Company and of the Depositary Bank.

SUSPENSION OF CALCULATION OF NET ASSET VALUE, OF THE ISSUE, REDEMPTION AND CONVERSION OF THE UNITS

In prior agreement with the Depositary Bank, the Management Company is authorised to temporarily suspend calculation of the net asset value of the Fund or, where necessary, of one or more Sub-Funds, and the issue, conversion or redemption of the units of the Fund, or of one or more Sub-Funds, in the following cases:

- when one or more Stock Exchanges that provide the basis of valuation of a major part of one or more Sub-Funds assets or one or more markets in the currencies in which a major part of one or more Sub-Funds deposits is denominated are closed for different periods other than normal holiday periods or when trading is suspended, restricted or subject, in the short term, to major fluctuations;

- when the political, economic, military, monetary or social situation, strikes or circumstances of force majeure beyond the control of the Management Company, prevent reasonable and normal access to the assets of one or more Sub-Funds and such access would cause serious detriment to the unit holders;

- in the case of interruption of the means of communication normally used to determine the value of one or more Sub-Funds deposits or when, for any reason, it is not possible to know the value of an asset quickly enough and with the necessary precision;

- when exchange or capital transfer restrictions prevent transactions of one or more Sub-Funds, or when purchase or sale transactions of one or more Sub-Funds of the Fund cannot be carried out at normal exchange rates;

- in the case of redemption or of conversion orders exceeding ten per cent (10%) of the net assets of the Sub-Fund;

- in all cases in which the Management Company considers, for justified reasons, that such suspension is necessary to protect the general interests of unit holders.

In exceptional circumstances that may negatively affect the interest of the unit holders, the Management Company reserves the right to fix the value of a unit only after selling the necessary securities, as soon as possible, on behalf of the Sub-Fund. In this case, subscription, redemption and conversion instructions awaiting execution will be dealt with simultaneously according to the net value thus calculated.

The Management Company shall promptly notify its decision to suspend calculation of the net asset value, of the issue and redemption of the units to the Luxembourg Supervisory Authorities and to the authorities of the other countries in which the units are sold. The aforesaid suspension is notified to the public, as established in this prospectus in the chapter on “Information to subscribers of the units”.

In the case in which the net asset value of a Sub-Fund is suspended, the possibility given by art. 10 of the Management Regulations and permitting the transfer from one Sub-Fund to another, is also suspended.

Suspension of the calculation of the net asset value of one Sub-Fund does not have any effect on calculation of the net asset value of the other Sub-Funds.

DURATION OF THE FUND, WINDING UP, LIQUIDATION AND MERGING OF SUB-FUNDS

The Fund is established without limits of duration and amount.

Liquidation and allotment of the Fund may not be requested by a unit holder or by his/her heirs or nominees.

The Management Company, with the prior agreement of the Depositary Bank, may decide to wind up the Fund in compliance with the law.

The Fund must be wound up in the cases established by law and if the assets of the Fund have been less than euro 1,250,000 for more than six (6) months.

In case of winding up, the decision must be published in the Official Gazette of Luxembourg - *Recueil des Sociétés et Associations* and in at least two (2) newspapers having suitable circulation, of which at least one (1) is a Luxembourg newspaper.

The Management Company, as liquidator, liquidates the assets of the Fund, protecting the interests of the unit holders in the best possible way and instructs the Depositary Bank to allot the sums arising from liquidation, after deducting liquidation costs, amongst the unit holders. This allotment is made for each Sub-Fund, proportionally to the participation of the unit holders in each Sub-Fund. Amounts owing to units not claimed by holders at the end of the liquidation process are deposited at the "*Caisse de Consignation*" in Luxembourg. Except in the case of claims submitted prior to the expiry of the period of prescription (thirty (30) years), the amounts deposited as above can no longer be withdrawn.

Starting from the time of occurrence of the event resulting in the liquidation of the Fund, the issue of units is forbidden under penalty of cancellation.

Generally, the various Sub-Funds are established for an unlimited period. The Management Company of the Fund may decide to liquidate a Sub-Fund if its net assets are less than euro 1,250,000 or if such liquidation is justified by a change in the economic and political situation affecting that Sub-Fund. The liquidation decision will be published as indicated in the "INFORMATION TO SUBSCRIBERS OF THE UNITS" chapter and will indicate the reasons and method of liquidation. As soon as the decision to liquidate a Sub-Fund has been taken, the issue of units of such Sub-Fund will no longer be authorised. Assets not distributed to those entitled on the date of closing of the liquidation process of the Sub-Fund will be paid to the *Caisse de Consignation*.

In the same cases as those of a winding-up of a Sub-Fund, the Management Company may decide to merge (i) a Sub-Fund with another or with a sub-fund of another undertaking for collective investment in transferable securities (whether subject to Luxembourg law or not) or (ii) the Fund with another undertaking for collective investment in transferable securities (whether subject to Luxembourg law or not) in accordance with the provisions set out in the Law of 2010.

Furthermore, such merger may be decided by the Management Company in cases in which this is deemed to be in the interest of the unit holders of the Sub-Funds concerned. Such decision will be published (as provided in the case of liquidation of a Sub-Fund) and such publication will contain information regarding the new sub-fund. The decision shall be published at least one (1) month prior to the date of transfer to another sub-fund, so that unit holders may request, at no cost, the repurchase of their units before the transfer operation becomes effective.

DISTRIBUTION POLICY

In the case in which distribution units have been issued, the Management Company will define each year the amount to be distributed whether corresponding to revenues or to capital of the Sub-Fund.

For each Sub-Fund, the portion of the income relating to capitalisation units will remain invested in the Sub-Fund concerned and will be added to the portion of the net assets corresponding to these units.

In respect to the portion of the income related to the distribution units, it will be distributed, entirely or partially, in the form of a dividend, and the balance, if any, will be added to the portion of the net assets corresponding to the distribution units. The dividends payable to the unit holders of distribution units will be paid in the currency of valuation of the Sub-Fund.

The Management Company may distribute interim dividends to the participants. In any case, the assets of the Fund, following distribution, may not be less than euro 1,250,000.

FUND FEES AND EXPENSES

The following expenses are borne by the Fund:

- a management fee, paid to the Management Company as a consideration for its activities, calculated on the average net asset value of the Sub-Fund during the relevant quarter. The percentage of the management fee is indicated in the “Sub-Fund Schedules” (see chapter on “Available Sub-Funds”). The maximum management fee applied to the Sub-Funds of the Fund is two per cent (2%), unless the Sub-Fund Schedule provides otherwise; the maximum fee applied to target funds not belonging to the same promoter will be two per cent (2%); for the share of assets invested in target funds of the same promoter, whomever is the manager, no fee shall be applied;

- the Management Company may also apply a performance fee calculated according to the methods detailed in the “Sub-Fund Schedules” (see chapter on “Available Sub-Funds”). Unless otherwise indicated in the "Sub-Fund Schedule", such fee is payable whether the percentage change in the reference index and/or in the Sub-Fund performance is positive or negative. The percentage of the performance fee is indicated in the “Sub-Fund Schedules” (see chapter on “Available Sub-Funds”);

- when a Sub-Fund invests a major portion of its assets in other UCITS and/or in other UCI, the prospectus will indicate, in the schedules of the Sub-Funds concerned, the maximum management fees that may be applied to the Sub-Fund concerned and to the other UCITS and/or other UCI in which it intends to invest. The Annual Report of the Fund will indicate the maximum percentage of management fees paid in relation to the Sub-Fund concerned and for the UCITS and/or other UCI in which it invests;

- when a Sub-Fund invests in units of other UCITS and/or of other UCI of the same promoter, the manager, whoever he is, shall not charge subscription or redemption fees for investments of the Sub-Fund in units of other UCITS and/or of other UCI of the same promoter;

- the Management Company will also be paid an Administration Fee of maximum zero point fifteen per cent (0.15%) per annum calculated on the average net asset value of the Fund and payable at the end of each quarter for the administrative services rendered to the Fund by the Management Company. In order to perform such services, the Management Company may have recourse to external service providers. The Management Company will pay out of its own Administration Fee the expenses associated with these services, such as: central administration services; administrative bank charges on portfolio transactions; expenses related to risk management, including the production of risk management reports by external providers; domiciliary services; registrar and transfer agency fees; printing, filing, distribution of prospectuses, Key Investor Information Documents, periodical reports and other documents required in accordance with the law; certificates printing, preparing, printing and filing of administrative documents and certificates with any authority or institution; preparation, distribution and publication of notices to unit holders;

- extraordinary expenses such as expert opinions or lawsuits to protect the interests of the unit holders;

- Depositary Bank fees, defined in a joint agreement by the Management Company and by the Depositary Bank, according to practice in Luxembourg, payable and calculated on the average net assets. The fees payable to the Depositary Bank will not exceed zero point zero eighteen per cent (0.018%) per annum of the average net assets of each Sub-Fund;

- set-up costs for new Sub-Funds fees payable to Auditors;

- all and any taxes and dues payable on the assets and income of the Fund, in particular the annual *taxe d'abonnement* on the net assets of the Fund;

- fees payable for registration, supervision and maintenance of the Fund with the authorities and the Stock Exchange, if the case may be; fees payable to paying agents, legal representative in foreign countries and legal counsel, the preparation, translation of offering documents, if any;

- broker fees on portfolio transactions and external services related to hedging activity;

- fees and expenses related to rating or certifications and labelling by external firms.

Advertising costs and expenses other than those listed above, relating to the offer and distribution of the units are not paid by the Fund.

The specific expenses of each Sub-Fund are charged to the Sub-Fund that has generated them.

Where made necessary by the amount concerned, other expenses are allocated proportionally to the assets of the respective Sub-Funds.

The assets of a specific Sub-Fund are liable only for debts, commitments and obligations relating to such Sub-Fund. In relationships between unit holders, each Sub-Fund is considered as a separate entity.

The Fund has assumed its initial outlay, including the expenses for the preparation and printing of the prospectus, the notarial charges and the expenses for formalities with the administrative authorities.

CO-MANAGEMENT

In order to reduce operating and administrative expenses, while at the same time permitting greater diversification of investments, the Board of Directors may decide that the assets of one or more Sub-Funds are co-managed entirely or in part with assets belonging to other Sub-Funds or other Luxembourg-domiciled UCIs. Below, the term "co-managed entities" will refer globally to the Sub-Funds of the Fund and all other entities with which a co-management arrangement exists and the term "co-managed assets" will refer to all the assets belonging to the same co-managed entity on the basis of the same co-management arrangement.

With regard to “co-management”, the Management Company may take, for each co-managed entity, investment, disinvestment or portfolio adjustment decisions that will affect the composition of the portfolios of the individual Sub-Funds. Each co-managed entity will own a portion of the total co-managed assets corresponding to the proportion of its net assets in relation to the total value of the co-managed assets. This proportional holding shall be applicable to each and every line of portfolios held or acquired under co-management. In the case of investment and disinvestment decisions, these proportions shall not be affected, and additional investments shall be allotted to the co-managed entities in the same proportions, and assets sold shall be levied proportionately on the co-managed assets held by each co-managed entity.

In the case of new subscriptions in one of the co-managed entities, subscription proceeds will be allotted to the co-managed entities in accordance with the modified proportions resulting from the increase in the net assets of the co-managed entity that has benefited from the subscriptions, and all portfolio lines will be modified by transfer of assets from one co-managed entity to the other for adjustment of the modified proportions. Similarly, in the case of redemptions in one of the co-managed entities, the cash required may be taken from the cash held by the co-managed entities according to the modified proportions resulting from the reduction of the net assets of the co-managed entity to which the redemptions refer and, in such case, all lines of investment will be adjusted to the modified proportions. Unitholders should be aware that, in the absence of any specific action by the competent entities of the Fund, as a result of the co-management arrangement, the composition of the assets of the Sub-Funds may be affected by events related to the other co-managed entities, such as subscriptions and redemptions. Thus, all things being otherwise equal, subscriptions in one of the entities with which a Sub-Fund is co-managed will entail a liquidity increase in that Sub-Fund. Conversely, redemptions in one of the entities co-managed with a Sub-Fund, will entail a liquidity decrease in the Sub-Fund concerned. However, subscriptions and redemptions may be held in a specific account of each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions will pass systematically. Allocation of subscriptions and redemptions of a major amount to this specific account and the possibility for the competent entities of the Fund of deciding, at any time, to interrupt co-management will make it possible to reduce readjustment of the portfolios of the Sub-Funds in the case in which the latter are considered contrary to the interests of the unitholders of the related Sub-Funds.

In the case in which a change in the composition of the portfolios of a Sub-Fund, made necessary by redemptions and payments of expenses related to another co-managed entity (i.e. not attributable to the Sub-Fund), may result in infringement of the related investments limits, the assets concerned will be excluded from co-management prior to application of the change, so that these are not affected by portfolio adjustments.

The co-managed assets will be managed jointly only with assets intended to be invested with the same objectives as the co-managed assets in order to ensure that investment decisions are fully compatible with the investment policies of the related Sub-Funds. The co-managed assets will be managed jointly only with assets for which the Depositary Bank also acts as depositary, in order to ensure that the Depositary is able to comply fully with its functions and responsibilities towards the Fund in accordance with the provisions of

the Law of 2010. The Depositary Bank shall at all times guarantee strict segregation of the assets of the Fund from the assets of other co-managed entities and shall, therefore, be able at any time to identify the assets of the Fund. As certain co-managed entities may adopt investment policies which are not precisely identical to the investment policy of the Sub-Funds of the Fund, the joint policy applied may be more restrictive than that of the Sub-Funds concerned.

The Management Company may decide to interrupt co-management at any time without any prior notice.

Unitholders may, at any time, apply to the registered office of the Management Company for information regarding the percentage of assets co-managed by each Sub-Fund and the entities with which co-management is applied at the time of the request for information. The periodic reports provide information regarding the composition and percentage of co-managed assets at the end of each annual or half-yearly period.

FINANCIAL YEAR AND AUDIT

The financial year of the various Sub-Funds of the Fund and that of the Management Company ends on 31st December of each year.

The Annual Report containing the consolidated financial statements of the Fund is denominated in euro.

The accounting data of the Fund are verified by authorised auditors appointed by the Management Company.

At the moment, this appointment has been assigned to Ernst & Young Cabinet de revision agréé, 35E Avenue John F. Kennedy, L-1855 Luxembourg.

The same company is currently responsible for auditing the transactions and accounts of the Management Company.

INFORMATION TO SUBSCRIBERS

The net asset value of the unit, the issue price and redemption price are made public in Luxembourg at the registered office of the Management Company and of the Depositary Bank, from the day following the valuation date of the Sub-Funds of the Fund. Furthermore, such information may be communicated using one or more electronic communication media.

An Annual consolidated Report audited by an audit firm and a Half-Year Report, not necessarily audited, are published respectively within four (4) and two (2) months from the end of the related reference period. The reports may be consulted by unit holders at the registered office of the Management Company, of the Depositary Bank, of appointed banks and institutions.

The Annual and Half-Year Reports are made available free of charge to participants who request them from the Management Company.

Amendments to the Management Regulations come into force five (5) days after publication in the Official Gazette of Luxembourg *Recueil des Sociétés et Associations* of a mention of the amendments being lodged with the Luxembourg Register of Companies, if provision is not otherwise made in the document amending the Management Regulations.

Notices are sent to nominative unit holders at their addresses, as indicated in the register of holders, without prejudice to the provisions of the Law of 2010 and are also available at the registered office of the Management Company and of the Depositary Bank. The notices to unit holders may be published in one or more daily newspapers distributed in the countries where the units are placed.

Investors' Rights

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its rights directly against the Fund, notably the right to participate in general meetings of shareholders and to obtain payment of compensations from the Fund, if the investor is registered in his/her/its own name in the register of shareholders of the Fund.

In cases where an investor invests in the Fund through an intermediary, investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain rights directly against the Fund. Investors are recommended to take advice on their rights.

GOVERNING LAW

This prospectus and the Management Regulations are governed by the laws of Luxembourg.

Unit holder's claims against the Management Company or Depositary Bank will be prescribed five (5) years from the date of the event that originated such claim.

The English version of this prospectus and of the Management Regulations is the official version; however, the Management Company may consider translations into the languages of the countries in which the units are sold as binding on it and on behalf of the Fund, with reference to the units sold in the countries concerned.

TAXATION

The Fund is regulated by the law in force in Luxembourg. Purchasers of units of the Fund are required to inform themselves directly regarding the legislation and rules applicable to the purchase, possession and, possibly, to the sale of units, according to their place of residence or their nationality. According to current legislation in Luxembourg, neither the Fund nor the participants, except for those domiciled, resident or with a stable establishment in Luxembourg, are liable to any tax whatsoever, at source or otherwise, on income, capital gains or wealth.

The net assets of the Fund are, however, liable to a Luxemburg tax at an annual rate of zero point zero five per cent (0.05%), payable at the end of each quarter and calculated on the amount of the net assets of each Sub-Fund of the Fund at the end of each quarter. The portion of assets invested in other UCITS under Luxemburg law will be totally exempt from this tax. However, this annual rate will be reduced to zero point zero one per cent (0.01%) for the Sub-Fund(s) whose investment policy, defined in the "Available Sub-Funds" chapter, complies with the criteria of the Grand Ducal Regulation of 14th April 2003 in application of article 174 of the Law of 2010.

The following text is based on the law and on current practice adopted in the Grand Duchy of Luxembourg and is liable to amendment.

Automatic exchange of information

Under the law of 18th December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation (the "**DAC Directive**") and the OECD Common Reporting Standard (the "**CRS**") (the "**DAC Law**"), since 1st January 2016, except for Austria which has benefited from a transitional period until 1st January 2017, the financial institutions of an EU Member State or a jurisdiction participating to the CRS are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC Directive and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Payment of interest and other income derived from the Units will fall into the scope of the DAC Directive and the CRS and are therefore be subject to reporting obligations.

Prospective investors should consult their own tax advisor with respect to the application of the DAC Directive and the CRS to such investor in light of such investors' individual circumstances. Investors are further invited to request information regarding applicable laws and regulations (i.e. any particular tax aspects or exchange regulations) of the countries of which they are citizens, or in which they are domiciled or resident and which may concern the subscription, purchase, holding and redemption of the Units.

The Fund reserves the right to refuse any subscription request if the information provided by the potential investor does not comply with the standards required by tax legislation or other applicable laws.

FATCA

In the present section, defined terms shall have the meaning ascribed to them in the Model I IGA unless otherwise specified herein.

FATCA extends the Internal Revenue Code of the U.S. with a new chapter on "Taxes to enforce reporting on certain foreign accounts" and requires foreign financial institutions ("**FFI**") such as the Fund to provide

the Internal Revenue Service in the U.S. (the "**IRS**") with information on certain U.S. Persons' (as defined by FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities belonging to U.S. Persons. Failure to provide the requested information could lead to a thirty per cent (30%) withholding tax applying to certain U.S. source income (including dividends and interests) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

On 28th March 2014, Luxembourg and the United States of America have signed the intergovernmental agreement model 1 ("**Model I IGA**") in order to enhance tax compliance and to implement FATCA in Luxembourg.

The Fund has chosen the status of sponsored entity and therefore its sponsoring entity will be responsible for the Fund's registration with the IRS.

Such registration shall be done at the latest of the following dates: 31st December 2015 or within ninety (90) days following the identification of a U.S. Reportable Account or of a Recalcitrant Account within the Fund.

In the meantime, the Fund shall not be registered with the IRS and shall not be subject to reporting obligations.

The sponsoring entity of the Fund is the Management Company, which registered itself for this purpose with the IRS.

The sponsoring entity will be responsible, on behalf of the Fund, to proceed with any registration, due diligence, reporting and withholding requirements pursuant to FATCA. The investors of the Fund therefore recognise and accept that the information relating to the financial accounts held by U.S. Persons or by non-U.S. entities belonging to U.S. Persons shall be communicated to the Luxembourg tax authorities, which shall in their turn forward such information to the IRS.

However, the Fund's ability to avoid the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an intermediary or other withholding agents in the chain of custody, or on the FATCA status of the Investors or their beneficial owners.

Any withholding tax imposed on the Fund would reduce the amount of cash available to pay all of its Investors and such withholding may be allocated disproportionately to a particular Sub-Fund.

In addition, the Fund shall remain the sole responsible for any failure to meet its obligations under FATCA which has been caused by its sponsoring entity.

There can be no assurance that a distribution made by the Fund or that assets held by the Fund will not be subject to withholding. Accordingly, all prospective investors including non-U.S. prospective investors should consult their own tax advisors about whether any distributions by the Fund may be subject to withholding.

FILING OF DOCUMENTS

The following documents are filed at the registered office of the Management Company where they may be consulted:

1. Prospectus and Key Investor Information Document
2. Articles of Association of the Management Company
3. Management Regulations
4. Any amendment made to these documents
5. The most recent Annual and Half-Year Reports of the Fund
6. The depository, central administration, registrar and transfer agent agreements between the Management Company and CACEIS Bank, Luxembourg Branch.

A copy of the documents indicated in points 1, 2, 3, 4 and 5 above may be obtained from the registered office of the Management Company.

INVESTMENT LIMITS

The investments of each Sub-Fund of the Fund must comply with the following rules:

1. Each Sub-Fund may invest in:

   A. transferable securities and money market instruments officially listed on a Stock Exchange of a Member State of the European Union or of the Organization for Economic Development and Cooperation, of Asia, Oceania, America and Africa;

   B. transferable securities and money market instruments traded on another regulated market of a State specified in point A, which operates regularly, is recognized and open to the public;

   C. newly-issued transferable securities and money market instruments provided that:

      - the terms of the issue require that an application be made for official listing on a Stock Exchange as set forth in point A or on another market as specified in point B;

      - admission is obtained by and no later than one (1) year from the starting date of the issue;

   D. units of UCITSs authorised pursuant to UCITS Directive and/or of other UCIs pursuant to article 1, paragraph (2), indents a) and b) of UCITS Directive, whether or not located in a Member State of the European Union, provided that:

      - such other UCI are authorised in accordance with a legislation specifying that such undertakings are subject to a supervision considered by the CSSF to be equivalent to that provided in Community legislation and that cooperation between the authorities is sufficiently guaranteed;

      - the level of protection given to unit-holders in these other UCI is equivalent to that provided for holders of units in UCITS and, in particular, provided that the rules on the division of assets, lending and borrowings, short sale of securities and of money market instruments are equivalent to those of UCITS Directive;

      - the activities of these other UCI are subject to Half-Year and Annual Reports allowing valuation of assets and liabilities, profits and operations during the period concerned;

      - the percentage of assets belonging to those UCITS or other UCI that are considered for purchase which, pursuant to their Articles of Association, may be invested in units of other UCITS or other UCI, does not exceed ten per cent (10%);

   E. deposits with credit institutions which are repayable on demand or may be withdrawn and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State of the European Union and/or, if the registered office of the credit institution is in a third country, in an OECD or GAFI country;

   F. financial derivative instruments, including equivalent instruments that are settled in cash, traded on a regulated market of the type specified in points A) and B) above and/or financial derivative instruments traded over the counter (OTC derivatives), in compliance with the following conditions of art. 41 (1) (g) of the Law of 2010

- the underlying security consists of instruments subject to the above paragraphs, of financial indices, interest rates, foreign exchange rates or currencies in which the Sub-Fund may invest according to its investment objectives, as laid down in the basic documents of the UCITS;

- the counterparties to OTC derivatives are institutions subject to a prudent supervision and belong to the classes approved by the CSSF;

- OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can, at the initiative of the Sub-Fund, be sold, liquidated or closed by an offsetting transaction at any time at their fair value;

G. money market instruments other than those traded on a regulated market if the issue or issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided that these instruments comply with the following conditions of article 41 (1) (h) of the Law of 2010, that is to say

- issued or guaranteed by a central, regional or local administration, by a central bank of a Member State, by the European Central Bank, the European Union or by the European Investment Bank, by a State that is not a member of the European Union or, in the case of a Federal State, by one of the members of the federation or by an international public body of which one or more Member States is a member;

- issued by a company whose securities are traded on the regulated markets specified in points A) and B) above;

- issued or guaranteed by an institution subject to prudential supervision according to the criteria defined by Community law or by an institution that is subject to and complies with prudential rules considered by the CSSF as at least as stringent as those laid down in Community legislation;

- issued by other bodies belonging to classes approved by the CSSF, insofar as investments in these instruments are subject to investor protection rules equivalent to those laid down in the first, second and third indents and that the issuer is a company whose capital and reserves amount to at least ten million euro and which presents and publishes its annual accounts pursuant to the fourth Directive 78/660/EEC or a body which, within a group of companies including one or more listed companies, is dedicated to the financing of the group or a body dedicated to financing securitisation vehicles benefiting from a bank credit line.

2. However:

Each Sub-Fund of the Fund may invest up to maximum ten per cent (10%) of its assets in transferable securities and money market instruments other than those established in point 1.

No Sub-Fund of the Fund may purchase precious metals or representative certificates thereof.

Each Sub-Fund may hold cash but not more than 20% of its total net assets. The Sub-Funds may exceed this threshold under exceptionally unfavourable conditions and on a temporary basis.

3. A) Each Sub-Fund may not invest more than ten per cent (10%) of its net assets in transferable securities or in money market instruments of the same issuer. A Sub-Fund may not invest more than twenty per cent (20%) of its net assets in deposits with the same body. The counterparty risk of the Sub-Fund on an OTC derivative transaction may not exceed ten per cent (10%) of its net assets when the counterparty is one of the credit institutions indicated in point 1.F, or five per cent (5%) of its net assets in other cases;

   B) The total amount of transferable securities and of money market instruments held by each Sub-Fund in issuers in each of which it invests more than five per cent (5%) of its net assets may not exceed forty per cent (40%) of the value of the net assets of the Sub-Fund. This limit does not apply to deposits with financial institutions subject to prudential supervision and to OTC derivative transactions with these institutions.

   Notwithstanding the individual limits established in paragraph (1), no Sub-Fund may combine:

   - investments in securities or money market instruments issued by one and the same issuer,
   - deposits at the same issuer, and/or
   - risks deriving from OTC derivative transactions, which account for more than twenty per cent (20%) of its assets.

   C) The limit established in paragraph A), first sentence may be maximum thirty-five per cent (35%) when the securities or money market instruments are issued or guaranteed by an EU Member State, by its public territorial authorities, by a non-EU State or by international public institutions to which one or more EU Member States belong.

   D) The limit established in paragraph A) first sentence may be maximum twenty-five per cent (25%) for bonds issued by credit institutions having their registered office in an EU Member State and which are subject by law to special public supervision to protect bond-holders. In particular, sums deriving from the issue of such bonds must be invested, in conformity with the law, in assets which, during the entire period of validity of the bonds, are capable of covering financial commitments tied to such bonds and which, in the event of default of the issuer, would be used on a priority basis for reimbursement of the principal and payment of accrued interest.

   If a Sub-Fund invests more than five per cent (5%) of its net assets in bonds described in the first subparagraph and issued by a single issuer, the total value of such investments may not exceed eighty per cent (80%) of the value of the net assets of the Sub-Fund concerned.

   E) The transferable securities and money market instruments referred to in paragraphs C) and D) are not taken into account for the application of the limit of forty per cent (40%) specified in paragraph B).

   The limits established in paragraphs A). B), C) and D) are not cumulative; therefore, investments in transferable securities or in money market instruments of the same issuer, in deposits or in derivatives made with such issuer in accordance with paragraphs 1), 2), 3) and 4) may not exceed a total of thirty-five per cent (35%) of the net assets of the Sub-Fund.

   The same UCI may invest cumulatively up to twenty per cent (20%) of its net assets in securities or money market instruments of the same group.

   In waiver of article 43 of the Law of 2010, the CSSF may authorise a UCITS to invest, for each Sub-Fund, according to the principle of diversification of risks, up to one hundred per cent

(100%) of its net assets in various issues of securities and money market financial instruments, issued or guaranteed by a Member State of the European Union, by its public territorial authorities, by a Member state of the OECD, by international public institutions to which one or more EU Member States belong.

The CSSF will grant such authorisation only if it does consider that the participants of the various Sub-Funds enjoy equivalent protection to that guaranteed to the participants of the various Sub-Funds that comply with the limits indicated in articles 43 and 44 of the Law of 2010.

These Sub-Funds must hold securities belonging to at least six (6) different issues and securities belonging to one and the same issue may not exceed thirty per cent (30%) of the total amount.

4. Each Sub-Fund may purchase units of UCITSs and/or of other UCIs as indicated in paragraph 1. D) provided that it does not invest more than twenty per cent (20%) of its net assets in the same UCITS or other UCI. Investments in units of UCIs that are not UCITSs shall not exceed, in total, thirty per cent (30%) of net assets of the Sub-Fund.

5. When a Sub-Fund invests in the units of other UCITSs 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 connected in a management or control community or by a sizeable direct or indirect stake, said Management Company or the other company may not invoice subscription or reimbursement rights for the investment of the Sub-Fund in the units of other UCITSs and/or other UCIs.

6. Any Sub-Fund (the "**Feeder UCITS**") may invest permanently at least eighty-five per cent (85%) of its net assets in units of one single UCITS or in units of one single sub-fund of a UCITS (the "**Master UCITS**") in compliance with the provisions of the Law of 2010.

   In such case, the Feeder UCITS may hold up to fifteen per cent (15%) of its assets in one or more of the following:

   - liquid assets,
   - financial derivative instruments, which may be used only for hedging purposes,
   - movable and immovable property which is essential for the direct pursuit of its business, if the feeder UCITS is an investment company.

7. A Management Company may not acquire voting shares that enable it to exert considerable influence on the management of an issuer, for all the mutual funds that it manages and which fall under the scope of part I of the Law of 2010.

8. The Fund may not purchase more than:

   - ten per cent (10%) of shares without voting rights of the same issuer;
   - ten per cent (10%) of bonds of the same issuer;
   - twenty-five per cent (25%) of units of the same UCITS and/or other UCI;
   - ten per cent (10%) of money market instruments of the same issuer.

The limits defined in the second, third and fourth indent may be disregarded at the time of acquisition if at such time the gross amount of the bonds or of the money market instruments or the net amount of the securities issued cannot be calculated.

9. The Sub-Funds may borrow up to ten per cent (10%) of their net assets provided these are temporary borrowings.

10. A) Without prejudice to the application of points 1 and 2, credits may not be granted nor guarantees be given for the account of third parties by the Management Company or the Depositary Bank acting on behalf of the Mutual Fund.

B) Paragraph a) does not constitute an obstacle to the acquisition, by the undertakings in question, of transferable securities, money market instruments or other financial instruments referred to in point 1, paragraphs D), F) and G), that are not fully paid up.

11. The Management Company may not proceed to short sales of transferable securities, monetary market instruments or other financial instruments mentioned in 1, paragraphs D), F) and G).

12. A Sub-Fund may subscribe, acquire and / or hold units to be issued or issued by one or more Sub-Funds of the Fund with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition, however, that:

A) The target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;

B) No more than ten per cent (10%) of the assets that the target Sub-Fund whose acquisition is contemplated may be invested in units of other target Sub-Funds of the Fund; and

C) Voting rights, if any, attaching to the relevant units 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

D) In any event, for as long as these units are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by this law.

Risk management methods and global risk tied to derivative instruments:

With regard to the Fund, the Management Company must use a risk management process which enables it to monitor and measure, at all times, the risk of the positions and their contribution to the overall risk profile of each Sub-Fund.

Certain Sub-Funds may employ SFT and TRS (as these terms are defined under section “Financial Techniques and Instruments”) for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFT and TRS for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-Funds. SFT include the transactions specified in section “Financial Techniques and Instruments”. Investors should refer to the risk factors for special risk considerations applicable to the use of SFT and TRS.

With regard to the Fund, the Management Company must employ, where applicable, a method for accurate and independent assessment of the value of OTC derivative instruments.

FINANCIAL TECHNIQUES AND INSTRUMENTS

Without prejudice to what may be stipulated for one or more particular Sub-Fund, the Fund is authorised, for each Sub-Fund, to use securities financing transactions ("**SFT**") as described in section "SFT and TRS" hereunder and derivative instruments relating to transferable securities and money market instruments, according to the methods set forth below and provided that such techniques and instruments are used for the purpose of efficient portfolio management in compliance with CSSF's Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (the "**CSSF's Circular 14/592**"), with EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25th November 2015 ("**SFTR**") and with the CSSF FAQ regarding the use of securities financing transactions by UCITS.

The Fund shall also ensure that the global risk relating to derivative instruments does not exceed the total net value of its assets.

Risks are calculated taking into account the current value of the underlying assets, counterparty risk, foreseeable future market movements and the time available to liquidate positions. This shall also apply to the following paragraphs.

The Fund may invest, within the framework of its investment policy and within the limits laid down in this prospectus, in financial derivative instruments provided that the risks to which the underlying assets are exposed does not exceed, in aggregate, the investment limits laid down in this prospectus.

When the Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined with the limits laid down in paragraph 3 of the investment limits of this prospectus.

When a security or money market instrument includes a derivative, the latter must be taken into account when complying with the requirements described here. The Fund may not, in any case, diverge from its investment objectives as set forth in the Management Regulations and in this prospectus.

Under no circumstances shall these operations result in a change of the declared investment objective of the relevant Sub-Fund as laid down in this prospectus or add substantial supplementary risks in comparison to the stated risk profile of such Sub-Fund.

To assure efficient portfolio management, the Fund and/or each Sub-Fund may carry out the following operations.

Transactions relating to options on transferable securities

The Fund and/or each Sub-Fund may buy and sell both call and put options provided that such options are traded on a regulated market, regularly functioning, recognised and open to the public and/or "over-the-counter". When engaging in such transactions, the Fund and/or each Sub-Fund must comply with the following rules:

Rules applicable to the purchase of options

The aggregate of the premiums paid to buy the call and put options referred to here, together with the aggregate of the premiums paid to purchase call and put options referred to under point 3 below may not exceed fifteen per cent (15%) of the net asset value of each Sub-Fund.

Rules designed to hedge financial commitments resulting from option dealings

When selling call options, the Fund and/or each Sub-Fund concerned must hold the underlying securities, or equivalent call options or other instruments that can provide adequate cover for the commitments resulting from the contracts concerned, such as warrants. Securities underlying call options sold may not be sold during the life of those options unless they are covered by options of the opposite sense or by other instruments that may be used for such purpose. The same applies to equivalent call options or to other instruments which the Fund and/or each Sub-Fund concerned is required to hold if it does not own the underlying securities at the time the relevant options are sold.

Notwithstanding that rule, the Fund and/or each Sub-Fund may sell call options relating to securities it does not possess at the time of conclusion of the option contract if the following conditions are met: (a) the strike price of the call options thus sold may not exceed twenty-five per cent (25%) of the net asset value of each Sub-Fund; (b) the Fund and/or each Sub-Fund must be in a position at any time to guarantee cover for the positions taken within the context of those sales. When selling put options, the Fund and/or each Sub-Fund must hold, throughout the tenor of the option contract, the amount of cash that may be necessary to pay for the securities delivered to it, in the event the counterparty exercises its option.

When the Fund and/or each Sub-Fund sell uncovered call options, they are exposed to a theoretically unlimited risk of loss. When selling put options, the Fund and/or each Sub-Fund is exposed to a risk of loss in the case in which the price of the underlying securities falls below the strike price, less the premium paid.

Conditions and restrictions on the sale of call and put options

The aggregate of the commitments resulting from the sale of call options and from the sale of put options (excluding sale of call options for which the Fund and/or each Sub-Fund concerned is adequately covered), together with the aggregate of the commitments resulting from the transactions referred to in point 3 below, may at no time exceed the net asset value of the Fund and/or each Sub-Fund. In this context, the commitments resulting from sold put and call option contracts are equal to the aggregate of the market prices of the securities underlying the options.

Transactions relating to future contracts on financial instruments and currencies and on options on such contracts

The transactions referred to here may concern contracts which are traded on a regulated market, regularly functioning, recognised and open to the public and/or traded “over-the-counter”.

Transactions intended to hedge risks associated with stock market trends

In order to provide overall protection against the risk of stock market downturns, the Fund and/or each Sub-Fund may sell financial futures on stock market indices. For the same purpose, it may also sell call options or buy put options on stock market indices. Since these transactions are intended to hedge risks, there must be a sufficiently close relationship between the composition of the index used and that of the corresponding portfolio. In principle, the aggregate of all commitments regarding forward contracts and stock market index-based option contracts must not exceed the total value of the securities held by the Fund and/or each Sub-Fund in the market corresponding to that index.

Transactions intended to hedge risks related to interest rate fluctuations

In order to provide overall protection against the risks of interest rate fluctuations, the Fund and/or each Sub-Fund may sell interest rate futures. For the same purpose, it may also sell call options or buy put options on interest rates or enter into interest rate swaps as part of “over-the-counter” transactions with first class financial institutions specialising in this type of operation. In principle, the aggregate of commitments

regarding financial futures, option dealings and interest swaps must not exceed the total value of the assets to be hedged held by the Fund and/or each Sub-Fund, in the currency of the contracts concerned.

Transactions intended to hedge risks related to exchange rate fluctuations

In order to provide overall protection against foreign exchange rate fluctuations, the Fund and/or each Sub-Fund may engage in transactions to sell forward currency contracts. For the same purpose, it may sell/buy call options or put options on currencies. The transactions referred to here are contracts traded on a regulated market which functions regularly and is recognised and open to the public or "over-the-counter" transactions with first class financial institutions specialising in this type of operation.

In principle, the aggregate of commitments regarding financial futures, options contracts may not exceed the total value of the assets to be hedged, held by the Fund and/or each Sub-Fund in the currency of the contracts in question.

Transactions for purposes other than hedging

For purposes other than hedging but, nevertheless, for the purpose of efficient portfolio management, the Fund and/or each Sub-Fund may buy and sell futures contracts and options on all types of securities and financial instruments, including currencies provided that the aggregate of the commitments resulting from such purchases and sales, together with the aggregate of the commitments resulting from sales of call options and sales of put options on transferable securities, financial instruments and currencies at no time exceeds the net asset value of the Fund and/or of each Sub-Fund.

All transactions on transferable securities, financial instruments and currencies intended to hedge risks and for which the Fund and/or each Sub-Fund is adequately covered are not taken into account when calculating the aggregate financial commitments referred to in this prospectus.

It should be noted that the aggregate of the premiums paid for the acquisition of the call and put options referred to here, together with the aggregate of the premiums paid for the acquisition of the call and put options on securities referred to under point 1.1 above, may not exceed fifteen per cent (15%) of the net asset value of each Sub-Fund.

Accordingly, financial commitments resulting from operations that do not relate to options on transferable securities are assessed as follows: (a) the commitment resulting from futures contracts is equal to the settlement value of the net positions of contracts relating to financial instruments with identical underlying asset, after set-off between buying and selling positions, without taking their respective maturity dates into account; (b) the commitment resulting from option contracts bought and sold is equal to the aggregate of the strike prices of the options making up the net selling positions related to the same underlying asset, without taking into account their respective maturity dates.

Each Sub-Fund may, where envisaged by the respective schedule of the Sub-Fund, invest in "derivatives on commodity indices" provided that the commodity index:

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

Credit Default Swaps (CDS)

Each Sub-Fund may use Credit Default Swaps ("**CDS**"). A CDS is a bilateral financial contract according to which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller upon the occurrence of a credit event affecting the reference issuer. The protection buyer must either sell specific bonds issued by the reference issuer at their par value (or at other pre-established references or strike price) when a credit event occurs or receive a cash payment based on the difference between the market price and the reference price or strike price. A credit event is usually defined as bankruptcy, insolvency, winding up ordered by a court, a legal settlement, a rescheduling of the debt or a failure to comply with scheduled repayment obligations. The ISDA (International Swaps and Derivatives Association) has issued standard documentation for this type of transactions, the "ISDA Master Agreement".

Each Sub-Fund may use CDS to hedge the risk of a specific credit related to the issuers in its portfolio, by purchasing a protection.

Furthermore, each Sub-Fund may, provided this is in the exclusive interest of its unit holders, purchase CDS protection without holding the underlying securities, provided that the aggregate of the premiums paid together with the present value of the aggregate of the premiums outstanding on CDS purchased previously and the aggregate of the premiums paid in respect to the purchase of options on securities or on financial instruments for a purpose other than hedging, may not, in any case, exceed fifteen per cent (15%) of the net assets of the Sub-Fund concerned.

In the exclusive interest of unit holders, each Sub-Fund may sell the protection of a CDS, in order to acquire a specific credit exposure.

Each Sub-Fund may engage in CDS transactions with leading financial institutions specialised in operations of this type and only in accordance with the standard terms established by the ISDA. Furthermore, the use of CDS must comply with the investment objectives, policy and risk profile of the Sub-Fund concerned.

The aggregate commitments deriving from the use of CDS together with the aggregate commitments deriving from the use of other derivative instruments may not, in any case, exceed the net asset value of the Sub-Fund concerned.

Each Sub-Fund will ensure that it has, at any time, the assets necessary to pay the proceeds of the repurchase resulting from repurchase requests and also that it complies with its obligations deriving from CDS and other techniques and instruments.

Each Sub-Fund may not:

- invest more than ten per cent (10%) of its net assets in transferable securities not listed on a stock exchange or not traded on another regulated market, regularly functioning, recognised and open to the public;

- purchase more than ten per cent (10%) of securities of the same type issued by the same issuer;

- invest more than ten per cent (10%) of its net assets in securities of the same issuer.

The above investment limits apply to CDS issuers and also the final debtor risk of the CDS ("underlying").

If this type of transaction is used in order to eliminate the credit risk of the issuer of a security, this means that the Management Company, on behalf of the Fund, bears a counterparty risk that refers to the protection seller.

However, this risk is reduced by the fact that the Management Company will engage in CDS operations on behalf of the Fund only with first-class financial institutions.

CDS used for a purpose other than hedging, such as an efficient portfolio management, may entail a liquidity risk if this position must be paid prior to its maturity, for any reason. The Management Company, on behalf of the Fund, will reduce this risk by limiting in a suitable way the use of this type of transaction.

Lastly, valuation of CDS may give rise to the usual difficulties that characterise the valuation of «over-the-counter» contracts.

Notwithstanding the above and in compliance with the CSSF circular 14/592:

- the Fund may enter into OTC derivatives contracts with counterparties that are financial institutions subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialized in this type of transactions.

- financial institutions involved in OTC transactions are carefully selected and the resulting counterparty risk is subject to appropriate monitoring and control in the context of the risk management process.

- the fund managers will never enter into a swap contract with a counterparty that may assume a discretion over the composition or management of the UCITS' investment portfolio or over the underlying of the financial derivative instruments.

SFT and TRS

General provisions related to SFT and Total Return Swaps ("TRS")

If provided in the "Available Sub-Funds" chapter, the Sub-Funds will make use of TRS and of the following SFT:

- securities lending and borrowing;

- repurchase transactions;

- buy-sell back transactions;

- sell-buy back transactions.

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

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

The Fund and any Sub-Funds may further enter into swap contracts relating to any financial instruments or indices, including TRS. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRS is possible, it is currently not contemplated.

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

The assets that may be subject to SFT and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19th March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;

- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;

- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

- bonds issued by non-governmental issuers offering an adequate liquidity;

- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Use of SFT and TRS

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFT and TRS is as follows:

- Securities lending, securities borrowing, repurchase agreement, buy-sell back transactions, sell-buy back transactions: the Fund does not expect to use these kinds of SFT if not disclosed in the relevant Sub-Fund Schedule;

- TRS: the Fund does not expect to use TRS if not disclosed in the relevant Sub-Fund Schedule.

The counterparties to the SFT and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and provided that they have a minimum credit rating above investment grade. The Fund will therefore only enter into SFT and TRS with such counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Fund will collateralize its SFT and TRS pursuant to the provisions set forth hereunder in section “Management of collateral”.

The risks linked to the use of SFT and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described in section “Risk Warnings” of the prospectus.

Assets subject to SFT and TRS will be safe kept by the Depositary.

Securities lending transactions

If provided in the “Available Sub-Funds” chapter, the Fund and/or each Sub-Fund may engage in security lending operations only if it complies with SFTR and the provisions set forth in CSSF’s Circular 08/356, CSSF’s Circular 14/592, ESMA Guidelines 2014/937 and the CSSF FAQ regarding the use of securities financing transactions by UCITS as follows:

The Fund and/or each Sub-Fund may lend securities only in the framework of a standardised lending system organised by a recognised security clearing body or by a first-class financial institution specialising in this type of operation. When entering into such lending transactions, the Fund and/or each Sub-Fund must in principle receive collateral which complies with the section “Management of collateral”.

Securities lending transactions are used to generate additional income through the transactions themselves and never through the reinvestment of the cash collateral.

Lending transactions may not be entered into for more than fifty per cent (50%) of the total value of the securities held in the portfolio of a Sub-Fund. Such limitation shall not apply if the Fund and/or each Sub-Fund has the right at any time to terminate the contract and recover immediately the securities lent. Lending transactions may not exceed a period of thirty (30) days.

Securities lending transactions will be used on a continuous basis.

The Management Company has appointed the Depositary, i.e. CACEIS Bank, Luxembourg Branch, as the principal securities lending agent for the Sub-Funds that engage in securities lending.

In accordance with the Depositary Agreement, the revenues generated from securities lending shall be allocated as follows:

1. For Italian stocks:

- 80% for the Sub-Fund,
- 20% for CACEIS Bank, Luxembourg Branch, acting as the principal securities lending agent.

2. For other stocks:

- 60% for the Sub-Fund,
- 40% for CACEIS Bank, Luxembourg Branch, acting as the principal securities lending agent.

All costs / fees of running of the securities lending activity done by CACEIS Bank, Luxembourg Branch, are paid from the portion of the gross income of CACEIS Bank, Luxembourg Branch, acting as the principal securities lending agent. This includes all direct and indirect costs / fees generated by the securities lending activities.

There is no potential conflict of interest arising from the use of securities lending because the sole counterparty of the Fund for security lending is CACEIS Bank, Luxembourg Branch, acting as the principal

securities lending agent. The Management Company and CACEIS Bank, Luxembourg Branch are not related parties.

Repurchase transactions

If provided in the "Available Sub-Funds" chapter, the Fund and/or each Sub-Fund may engage in repurchase transactions, which consist in purchases and sales of securities whose clauses envisage the seller's right to repurchase the securities from the buyer at such price and term as agreed between the two (2) parties at the time the contract is concluded.

The Fund and/or each Sub-Fund may engage in repurchase transactions either as buyer or seller.

Repurchase agreement and reverse repurchase agreements will generally be collateralized as further described hereunder in section "Management of collateral", at any time during the lifetime of the agreement, at least their notional amount.

Nevertheless, its participation in such transactions shall be subject to the following rules: (a) the Fund and/or each Sub-Fund may buy or sell repurchasable securities only if the counterparties to such transactions are first-class financial institutions specialising in this type of transaction; and (b) throughout the duration of a contract for the purchase of repurchasable securities, the Fund and/or each Sub-Fund may not sell the securities to which the contract relates before the counterparty has exercised its right to repurchase the securities or before the period within which such right has to be exercised has expired. The Fund and/or each Sub-Fund must seek to keep repurchase transactions at such a level as to enable it at all times to meet its repurchase obligations.

The Fund involvement in such transactions is, however, subject to the additional following rules:

- the counterparty to these transactions must be subject to prudential supervision rules considered by the regulatory authority as equivalent to those prescribed by EU law;
- the Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations.

However, fixed-term transactions that do not exceed seven (7) days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

TRS

When entering into Total Return Swaps or TRS arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the Law of 2010. Likewise, in accordance with Article 42 (3) of the Law of 2010 and Article 48 (5) of CSSF Regulation 10-4, the Fund must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the Law of 2010.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialised in this type of transaction and subject to prudential supervision. These counterparties do not have discretionary power over the composition or

management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed ten per cent (10%) of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the Law of 2010 or five per cent (5%) of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

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

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

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described herebelow are complied with.

Risks related to securities lending and repurchase transactions

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of the prospectus.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures

inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Risks related to Total Return Swap

In a standard "swap" transaction, two (2) parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. Certain categories of swap agreements often have terms of greater than seven (7) days and may be considered illiquid. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The swaps market is subject to extensive regulation under the Dodd-Frank Act and certain Securities and Exchange Commission and Commodity Futures Trading Commission rules promulgated thereunder. It is possible that developments in the swaps market, including new and additional government regulation, could result in higher Fund costs and expenses and could adversely affect the Fund's ability, among other things, to terminate existing swap agreements or to realize amounts to be received under such agreements.

Risks related to the use of SFT and TRS

Operational risk: A Sub-Fund could suffer from losses through people, process and system failures.

Liquidity risk: Any type of security that is not publicly traded may be hard to value, and may be hard to sell at a desired time and price, especially in any volume. This also applies to securities that are publicly traded, but represent a small issue, trade infrequently, or trade on markets that are comparatively small or that have long settlement times. In addition to creating investment losses, liquidity problems could lead to a delay in the processing of Unitholder requests to redeem Units.

Counterparty risk: The Sub-Fund could lose money if an entity with which it does business becomes unwilling or unable to meet its obligations to the Sub-Fund.

If a counterparty fails to meet its obligations, the Sub-Fund may have the right to try to recover any losses by using any collateral associated with the obligation. However, the value of collateral may be worth less than the cash or securities owed to the fund, whether because of market action, inaccurate pricing, deteriorating issuer credit or market liquidity problems.

If a counterparty is late in honouring its obligations, it could affect the Sub-Fund's ability to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems.

Custody / Sub-Custody Risk: Assets of the Fund are held in custody by the Depositary / sub-depositary and investors are exposed to the risk of these counterparties not being able to fully meet their obligation to restitute in a short timeframe all of the assets of the Fund. The Sub-Fund may incur losses resulting from the acts or omissions of the Depositary / sub-depositary bank when performing or settling transactions or when transferring money or securities.

Legal Risk: There is a risk that agreements and derivatives techniques are terminated due to as example bankruptcy, supervening illegality, change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred. In addition, certain transactions are entered into on the basis of complex legal documents, such documents may be the subject to dispute due to interpretation in certain circumstances.

Management of collateral and collateral policy

General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk.

This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

Management of collateral

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. Such collateral will be in the form of cash or securities as described below.

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds ("**ETFs**") and other UCITS issues as described in CSSF circular 14/592 and SFTR.

The risk exposure to a counterparty arising from securities lending transaction and OTC financial derivative instruments should be combined when calculating the counterparty risk limits foreseen in section "Investment limits".

This guarantee must be given in the form of cash and/or securities issued or guaranteed by Member States of the OECD or by local territorial authorities thereof or by Community, regional or world supranational institutions or bodies.

Where there is a title transfer, the collateral received should be held by the Depositary Bank of the Fund.

Collateral received must at all times meet with the following criteria:

- **Liquidity**: collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.

- **Valuation**: collateral must be capable of being valued on at least a daily basis and must be marked to market daily it being understood that the Fund will make use of daily variation margins within the key elements disciplined in each ISDA and CSA agreement in place with the various counterparties.

- **Issuer credit quality**: the Fund will ordinarily only accept very high quality collateral.

- **Correlation**: collateral received by the Fund should all be issued by an entity that is independent from the counterparty in order to avoid a high correlation with the performance of the counterparty.

- **Safe-keeping**: collateral must be transferred to the Depositary or its agent.

- **Enforceable**: collateral must be immediately available to the Fund without recourse to the counterparty, in the event of a default by that entity.

- **Maturity**: collateral must be have a maturity sufficiently short in order to limit interest rate volatility.

Non-Cash collateral:

- cannot be sold, pledged or re-invested;

- must be issued by an entity independent of the counterparty; and

- must be diversified to avoid concentration risk in one issue, sector or country.

Cash Collateral can only be:

- placed on deposit with entities prescribed in Article 41 1) (f) of the Law of 2010;

- invested in high quality government bonds;

- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;

- invested in short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

(a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

(b) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;

(e) bonds issued or guaranteed by first class issuers offering adequate liquidity;

(f) shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The Fund may carry out OTC financial derivatives transactions with a level of collateral at least of one hundred per cent (100%) of the profits and losses exposure of the fund (subject to materiality threshold defined in the formal agreements executed between the counterparties) subject to be compliant with the counterparty risk exposure authorised by the applicable regulations. For certain types of transactions such as, but not limited to, Foreign Exchange Forward, the level of collateral may be equal to zero.

As part of its lending transactions, the Fund must in principle receive previously or simultaneously to the transfer of the securities lent a guarantee the value of which must at the conclusion of and constantly during the contract be at least equal to ninety per cent (90%) of the global valuation of the securities lent.

Repurchase and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at a minimum of one hundred per cent (100%) of their notional amount.

Reinvestment of collateral

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

Cash collateral received by the Fund can only be:

(a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(b) invested in high-quality government bonds;

(c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or

(d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Reinvested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. To the extent required by the applicable Luxembourg regulations, reinvestments of such cash collateral must be taken into account for the calculation of the Sub-Fund's global exposure.

The Fund must proceed on a daily basis to the valuation of the collateral.

A UCITS receiving collateral for at least thirty per cent (30%) of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the UCITS to assess the liquidity risk attached to the collateral.

The Sub-Funds may incur a loss in reinvesting the cash collateral they receive. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Funds to the counterparty at the conclusion of the transaction. The Sub-Funds would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Funds.

The financial reports of the Fund shall disclose the assets into which the cash collateral is re-invested.

Disclosure to Investors

In connection with the use of techniques and instruments the Fund will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- the use of TRS and SFT pursuant to the SFTR.

- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

Haircut policy

The Fund has set up, in accordance with Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral mentioned below. Such policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on what has been defined in the Credit Support Annex entered into with each counterparty. The level of haircut depends on a variety of factors, including the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable and in particular situations, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

The level of haircut applied normally ranges between:

Ten (10%) and forty per cent (40%) for collateral received in the form of equities;

Zero (0%) and twenty per cent (20%) for collateral received in the form of bonds; and

Five (5%) and forty per cent (40%) for collateral received in a form different from above.

All assets received in the context of management of collateral for OTC financial derivative transactions and efficient portfolio management techniques in accordance with the Circular 14/592 will be considered as collateral and will comply with the criteria set up above.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

For all the Sub-Funds receiving collateral for at least thirty per cent (30%) of their assets, the Fund will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

The Fund must proceed on a daily basis to the valuation of the guarantee received or paid, using available market prices and taking into account appropriate discounts which will be determined in according to the CSA for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets.

ESG CRITERIA AND SUSTAINABILITY RISKS

General approach to ESG criteria and sustainability risks

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial service sector ("**SFDR**").

Article 6 of the SFDR requires that the Management Company discloses the manner in which sustainability risks are integrated into investment decisions with respect to the Fund and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund, and where the Management Company deems sustainability risks not to be relevant, the description shall include a clear and concise explanation for this.

Except when a specific Sub-Fund investment strategy states that ***ESG criteria*** and sustainability risks are not relevant, ESG criteria and sustainability risks are generally taken into account and Sub-Funds use certain ESG (environmental, social, governance) criteria in their investment process.

Except if stated otherwise in the Sub-Funds' respective investment policies, the 3 ESG factors (environmental, social, governance) are given equal weight and none of the 3 factors is favoured.

Environmental criteria are criteria such as those related to climate change (production processes that do not generate detrimental effects on climate, reduction in fossile energy consumption / production), sustainable use and protection of water and marine resources, pollution prevention and control, protection and restoration of biodiversity and ecosystems.

Social criteria may be, in a non exhaustive way, criteria related to labour conditions (labour management, relations, equal promotion, equal / fair salaries, health and safety at work) or to product liability, to products contradicting ESG criteria (weapons, drugs) or to the society to which a company / entity belongs (gender equality, social cohesion and integration, attention to socially disadvantaged communities, nutrition, health and education).

Governance criteria are criteria at the level of a company / entity (competence and availability of directors, presence on the Board of independent directors, transparency and reasonableness of compensation of directors, managers, decision makers, business ethics, transparent accounting, anti-competitive practices, tax transparency)

A positive ESG screening is normally performed on companies / entities at the time of their acquisition. Such screening may be qualitative or also quantitative, in such case, usually based on an ESG scoring.

ESG providers may be used. Different ESG Sub-Funds may use different ESG providers and may apply ESG criteria in different ways.

The manner in which Sustainability Risks are integrated into the investment decisions

Sustainability risks are also taken into account unless mentioned otherwise. Sustainability risks are identified and assessed at the level of the specific companies / entities.

"***Sustainability Risks***" are environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. Risks that may be considered are, in a non exhaustive way: environmental events, floods, storms, water or energy disruption, reputational risk, labour movements generated by unfair labour treatment or bad health conditions in the company, corporate malpractice and poor governance.

The assessment of sustainability risks at company / entity level may be qualitative or a quantitative, in such case, usually based on a scoring.

It should be noted however that, although sustainability risks are assessed for single companies, investments in such companies is nevertheless possible, based on other considerations.

The likely impacts of Sustainability Risks on the returns of the Sub-Funds

The Management Company believes that Sustainability Risks may have an impact on the performance of the strategy. Whilst it is recognized that investing in companies with Sustainability Risks may be potentially detrimental to the performance of a Sub-Fund, the Management Company also sees improvements in managing sustainability issues by companies as an opportunity to enhance corporate value and to realise the upside potentials.

The Management Company therefore believes that the Fund can achieve their long-term risk adjusted returns by encouraging investee companies to address material sustainability issues through constructive engagement, while taking into consideration both the Sustainability Risks and the opportunities.

Adverse sustainability impacts

The Management Company continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on Sustainability Factors as set out in Article 4 of the SFDR.
At the date of the Prospectus and following the entry into force from January 1st, 2023, of the Commission Delegated Regulation (EU) 2022/1288 (the "RTS"), the Management Company considers that, in the context of the investment strategies of the Fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the Sub-Fund Manager's investment decisions on sustainability factors.
Disclosures in relation to Article 4 of the SFDR are published on the website www.ersel.it, as required.

Enhanced consideration for ESG criteria and sustainability

Where indicated in a specific Sub-Fund investment strategy, such Sub-Fund may enhance the application of ESG criteria to its investment management process.

As for the other Sub-Funds, the Sub-Funds that adopt an enhanced application of ESG criteria perform a positive ESG screening. The selected companies are those which outperform peers in ESG measures or which improve ESG measures more rapidly than peers, according to the criteria and ESG providers described above in first paragraph.

A negative screening is also performed.

In terms of industrial sectors, companies, products, or activities that operate in the following sectors are excluded from the investment universes of the Sub Funds that adopt an enhanced application of ESG criteria: manufacturers of controversial weapons such as land mines and cluster bombs, as well as manufacturers of nuclear, biological and chemical weapons, tobacco, adult entertainment and pornography.

The Management Company, in conjunction with the Investment Managers, may always adopt a more restrictive approach and exclude more sectors, according to market and industry evolutions.

In terms of countries, companies / entities are excluded when they operate with governmental bodies in certain countries which are on internal sanction lists or have poor ESG scores on indices such as the World

Governance Index of Political Stability and Absence of Violence/Terrorism (World Bank) or the Freedom in the World Index on Political rights and civil liberties and the Fragile States Index (Fund for Peace).

In respect to companies, those companies/ entities in breach of the 10 principles of the UN Global Compact are excluded.

Excluded companies / entities will be reviewed on a regular basis to check if relevant changes have been made to their activities or behaviour. A review of such changes may lead to the exclusion being lifted or companies been added.

Material ESG issues are addressed and promoted through active ownership.

The application of ESG criteria to the ESG Sub-Funds may result in the exclusion of certain sectors, companies, products, or activities.

The use of ESG criteria may affect a Sub-Fund's investment performance and, as such, ESG Sub-Funds may perform differently compared to similar funds that do not use such criteria. The fact that ESG Sub-Funds exclude certain sectors or companies may result in the ESG Sub-Funds foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG features when it might be disadvantageous to do so.

In the event that the ESG features of a security held by an ESG Sub-Fund change, resulting in the Management Company having to sell the security, neither the ESG Sub-Fund nor the Management Company accept liability in relation to such change.

It is underlined that no investment will be made in contravention of the Luxembourg law on cluster munitions.

ESG Sub-Funds will vote proxies in a manner that is consistent with the relevant ESG criteria, which may not always be consistent with maximising the short-term performance of the relevant issuer.

In assessing a security or issuer based on ESG criteria, the Management Company is dependent upon information and data from third party ESG providers, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Management Company may incorrectly assess a security or issuer. There is also a risk that an ESG Sub-Fund could have indirect exposure to issuers who do not meet the relevant ESG criteria used by such ESG Sub-Fund. Neither the ESG Sub-Funds nor the Management Company make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment.

BENCHMARKS AND PERFORMANCE FEES

ESMA registered Benchmark Administrators

Regulation (EU) 2016/1011 (also known as the "**EU Benchmark Regulation**"), as may be amended from time to time, requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available on request, free of charge, on the Management Company's registered office. The indices or benchmarks used by the Sub-Funds listed below for the purpose of performance fee calculation are, as at the date of the prospectus, provided by benchmarks administrators who are recognised, authorised or registered on the register of administrators and benchmarks maintained by ESMA according to the EU Benchmark Regulation.

Register of ESMA registered Benchmark Administrators

	Benchmark Administrator Registered On ESMA's Register Of Benchmark Administrators
Until 26th of August 2025 GLOBERSEL - EMERGING BOND - INSIGHT INVESTMENT	**Barclays Bank PLC** Barclays EM USD Aggregate Sovereign (BSSU) **JP Morgan Securities PLC** JPMorgan Global Bond Index – EM Global Diversified (GBI-EMGD) USD JPMorgan Corporate Emerging Market Index Broad Diversified (CEMI BD)
GLOBAL EQUITY - WALTER SCOTT & PARTNERS	**MSCI Limited**: MSCI World Index **Ice Data Indices LLC** Merrill Lynch Euro Govt Bill Index

Performance fee calculation methods

Each Sub Fund applies one of the following methods for the calculation of the performance fees which are compliant with CSSF Circular 20/764 on Guidelines on performance fees in UCITS and certain types of AIFs referring to the Guidelines of ESMA on performance fees in UCITS and certain types of AIFs (Ref. ESMA34-39-992) published on 5 November 2020. The method selected by each Sub-Fund is indicated in the specific Sub-Fund description below.

The calculation methods below are effective from 2022. The first reference benchmark /hurdle rate and the first reference NAV are those of the 31st December 2021.

Performance fee Benchmark method

The Management Company is entitled in respect of each Class to receive a performance fee calculated in relation to each period of 12 months beginning on 1 January and ending on 31 December (the "**Calculation Period**"). In case of launch of a new Sub-fund and/or a new Class of Units of an existing Sub-fund during the calendar year, the Calculation Period will be extended till the end of the following calendar year.

The Management Company will receive a performance fee calculated on the positive difference between the net return of the Sub-Fund and the **Relevant Benchmark** over the "**Performance Reference Period**" as defined below.

The Performance Reference Period is 5 years. Therefore, it will be ensured that any underperformance of the Sub-Fund compared to the **Relevant Benchmark** is brought forward for a period of 5 years before a performance fee becomes payable, i.e. the Management Company should look back at the past 5 years for the purpose of compensating underperformances.

For the avoidance of doubt, the first Performance Reference Period will start on 1 January 2022 and will end either:

• at the end of the first Calculation Period for which a performance fee is payable; or

• at the end of the fifth Calculation Period if no performance fee has been paid during five consecutive Calculation Periods.

The unit's net asset value increase percentage during the **Calculation Period** is calculated before the performance fee (if any) is deducted, but after all other costs are deducted and accrued at each calculation of the net asset value.

When due, the performance fee is paid on an annual basis.

Artificial increases resulting from new subscriptions will be neutralized when calculating fund performance. The unit's net asset value increase percentage takes into account dividend distributions, if any.

Whenever a unitholder redeems units, converts units out of the share class or in case of the Sub-Fund's merger or liquidation, any accrued but unpaid performance fee related to those units shall be crystallized and paid at the end of the **Calculation Period**.

The attention of the investors is brought to the fact that a performance fee may be payable in case the Sub- Fund / Units Class had a negative performance but outperformed the Benchmark.

The calculation method for this performance fee is evidenced as below:

	Beginning NAV	End of the year NAV	Beginning Benchmark	End of the year Benchmark	Yearly NAV performance	Yearly Benchmark performance	Overperformance NAV vs Benchmark	Underperformance to be compensated in the following year	Overperformance NAV vs Benchmark since each reset	Payment of performance fee	Performance fee per share 20%	NAV after payment of performance fee
Year 1	100.00	103.00	100.00	101.50	3.00%	1.50%	1.50%	0.00%	1.50%	Yes	0.30	102.70
Year 2	102.70	99.00	101.50	95.00	-3.60%	-6.40%	2.80%	0.00%	2.80%	Yes	0.56	98.44
Year 3	98.44	96.00	95.00	96.50	-2.48%	1.58%	-4.06%	-4.06%	-4.06%	No	0.00	96.00
Year 4	96.00	99.00	96.50	99.00	3.13%	2.59%	0.53%	-3.53%	-3.53%	No	0.00	99.00
Year 5	99.00	101.00	99.00	100.50	2.02%	1.52%	0.51%	-3.02%	-3.02%	No	0.00	101.00
Year 6	101.00	102.50	100.50	101.00	1.49%	0.50%	0.99%	-2.03%	-2.03%	No	0.00	102.50
Year 7	102.50	102.50	101.00	101.00	0.00%	0.00%	0.00%	-2.03%	-2.03%	No	0.00	102.50
Year 8	102.50	104.00	101.00	102.00	1.46%	0.99%	0.47%	0.00%	0.47%	Yes	0.09	103.91
Year 9	103.91	103.50	102.00	102.50	-0.39%	0.49%	-0.88%	-0.88%	-0.88%	No	0.00	103.50
Year 10	103.50	104.00	102.00	101.00	0.48%	-1.46%	1.95%	0.00%	1.07%	Yes	0.21	103.79

The rate of performance fee per share indicated in the table is an example. The performance fee rate of each Sub-Fund is indicated in the specific section

Performance fee Absolute High Watermark method

The Management Company will receive a performance fee calculated on the positive net return of the Sub-Fund accrued since inception (Absolute High Watermark method).

This fee is calculated with reference to each Valuation Day and will be accrued and due only if the net value of the unit exceeds the highest value attained prior to the Valuation Day ("Absolute **High Watermark**"). The unit's net asset value increase percentage is calculated before the performance fee (if any) is deducted, but after deduction of all other costs.

The performance fee is calculated and accrued with each calculation of the net asset value, provided that the foregoing conditions are met.

Performance fee maturing during the year is also crystallized and paid to the Management Company, proportionally to the share classes involved, in case of redemptions, conversions out of the share class or in case of the Sub-Fund's merger or liquidation.

The performance fee is paid on an annual basis. If the Sub-Fund pays a dividend, the value of the High Watermark will be adjusted accordingly.

The calculation method for this performance fee is evidenced as below:

	NAV before Performance Fee	HWM	Overperformance per share	Performance Fee per share 20%	Payement of perfromance Fee	NAV after payment of performance fee
Year 1	107.00	105.00	1.90%	0.38	Yes	106.62
Year 2	108.00	106.62	1.30%	0.26	Yes	107.74
Year 3	105.00	107.74	-2.54%	0.00	No	105.00
Year 4	106.50	107.74	-1.15%	0.00	No	106.50
Year 5	109.00	107.74	1.17%	0.23	Yes	108.77
Year 6	106.00	108.77	-2.54%	0.00	No	106.00
Year 7	109.00	108.77	0.21%	0.04	Yes	108.96
Year 8	110.00	108.96	0.96%	0.19	Yes	109.81
Year 9	108.00	109.81	-1.65%	0.00	No	108.00
Year 10	115.00	109.81	4.73%	0.95	Yes	114.05

The rate of performance fee per share indicated in the table is an example. The performance fee rate of each Sub-Fund is indicated in the specific section

AVAILABLE SUB-FUNDS (Sub-Fund Schedules)

Portfolios of equity oriented Sub-Funds consist mainly (i.e. for more than fifty per cent (50%)) of shares and securities, and, on a residual basis, financial instruments. The general objective of these Sub-Funds is, where possible, appreciation of the capital.

The investment policy of the bond Sub-Funds gives priority to preservation of capital. Investments will be made mainly (i.e. for more than fifty per cent (50%)) in bonds and short-term notes and certificates, or in related financial instruments including convertible bonds and/or in bonds with options/warrants on securities and zero coupons.

The financial instruments mentioned in the preceding 2 paragraphs will be compliant with those described in Article 41 (1) g) of the Law of 2010 and must meet the conditions and limits stipulated in Article 44. Nevertheless, if no financial indices that meet the criteria of Article 44 are concerned, the provisions of Articles 42 (3) and 43 of the Law of 2010 shall apply.

Investors are informed that the Board of Directors of the Management Company may resolve not to launch a Sub-Fund if its capital, at the end of the period of initial subscription, is less than 5 million euro or the equivalent in the reference currency. Such decision may be taken, at the latest, by the last day of the period of initial subscription. In the case in which this decision is made, investors will be informed by letter and the amounts paid by the investors will be returned at the latest within two (2) business days from the date of payment. In this case, the prospectus will be updated.

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Investment policy

The aim of this Sub-Fund is to make its capital grow by investing mainly in different classes of international transferable securities, particularly shares and bonds, and in money market instruments with duration of less than twelve (12) months, likewise through undertakings for collective investments in transferable securities (UCITSs) authorised pursuant to the UCITS Directive and/or other UCIs within the meaning of Article 1, 1st paragraph, first and second indent of said Directive.

The Sub-Fund will not invest more than thirty-five per cent (35%) of its net assets in shares, including UCITSs and/or UCIs, that have a policy of investing mainly in shares and derivatives where the result is to create a position in shares.

The Sub-Fund will not invest more than twenty per cent (20%) of its net assets in transferable securities of a bond nature, denominated in euros or foreign currencies, with a rating below Investment Grade.

The maximum investment percentage in debentures issued by companies of whatever sector may not exceed sixty-five per cent (65%) of the net value of the Sub-Fund.

The Sub-Fund will not invest more than ten per cent (10%) of its net assets in ABS/MBS, Coco Bonds, Distressed and Defaulted Debt securities.

The Sub-Fund may hold cash, on a residual basis, *i.e* up to 20% of its total net assets, except under exceptionally unfavourable conditions and on a temporary basis.

The Sub-Fund may use financial techniques and instruments in order to promote an efficient portfolio management, in accordance with the restrictions set forth in the “Financial Techniques and Instruments” chapter of the prospectus. The Sub-Fund will only use SFT as set forth in the section "Use of SFT" below.

Sustainability Risk and ESG criteria taken into account

The Sub-Fund takes into account the sustainability risks in its investment decisions as defined and described in the Chapter *ESG CRITERIA AND SUSTAINABILITY RISKS*. This Sub-Fund qualifies as an "Article 6" financial product for the purposes of Regulation UE 2019/2088 on Sustainable Finance Disclosure Regulation (‘SFDR’).

The Sub-Fund also takes into account ESG criteria in the manner described in the same Chapter, section "*General approach to ESG criteria and sustainability risks*".

Nevertheless, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Use of SFT

The Sub-Fund will only use securities lending as SFT.

The maximum proportion of assets under management of the Sub-Fund that can be subject to securities is as follows:

Securities lending	50%

The current expected proportion of assets under management that will be subject to securities lending is as follows:

Securities lending	0%-25%

Units, currency and Calculation Date

This Sub-Fund issues capitalisation units in the form of registered securities. The Management Company may decide to issue distribution units.

The reference currency of the Sub-Fund is the euro. The net asset value of this Sub-Fund is calculated daily.

The minimum amount of the first subscription is 50,000.00 euro. The minimum amount of subsequent subscriptions is 25,000.00 euro.

Fees

No fee will be applied to subscriptions, redemptions or conversions into units of this Sub-Fund.

The Management Company will apply quarterly a management fee at a maximum annual rate of zero point eight per cent (0.8%). The fee will be calculated on the average net asset value of the Sub-Fund in the reference quarter. The maximum management fee charged for the target funds will be three per cent (3%). If third party target funds cede back fees, they will be paid into the Sub-Fund.

Risk profile

In addition to the risks defined in the “Investment objectives and policy of the Fund” chapter of the prospectus, the investor must also take into account the following risks:

Investment in this Sub-Fund involves risks due to possible variations in net asset value which, in turn, depend on the values of the securities in which the Sub-Fund invests.

Generally speaking, the following risks must also be considered: risk linked to the liquidity of transferable securities, risk linked to the currency in which the transferable securities are denominated, risk linked to the price variation of securities due to fluctuating interest rates, and risks linked to the possible variations of the net asset value of the target funds.

The investor must also consider that investing in shares involves a higher level of risk than investing in credit instruments due to market risks.

Potential investors must moreover be aware of the fact that the investment in target funds may entail double expenses (Depositary Bank, central administration, subscription, redemption, management and other such expenses).

The existence of such risks involves the possibility of not receiving back the entire capital on redemption.

The Sub-Fund may use derivative instruments pursuant to the “Financial techniques and instruments” chapter and subject to the limits set by the investment restrictions of this prospectus for the sake of a sound

portfolio management and interest rate and/or hedging management. The derivative markets are more volatile than those of securities and expectations of earnings are higher, as also are the risks of losses.

Overall risk assessment method

The Sub-Fund uses the commitment approach to monitor and measure the global exposure.

Profile of the typical investor

This Sub-Fund addresses to investors with a medium term (2 to 5 years) investment horizon willing to accept a medium/low level of risk. The investor is warned that all investments involve a percentage of risk and that it cannot be guaranteed that investment policy objectives will be achieved.

Past performance

A chart of the past performance of the Sub-Fund can be found in the Key Investor Information Document.

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Investment policy

This Sub-Fund invests mainly in shares and similar securities and also in convertible bonds, while the remaining part is invested in other types of bonds, in other debt securities and similar.

The Sub-Fund may invest, on a residual basis, in money market instruments with duration of less than twelve (12) months.

The Sub-Fund may hold cash, on a residual basis, *i.e* up to 20% of its total net assets, except under exceptionally unfavourable conditions and on a temporary basis.

The Sub-Fund may invest up to ten per cent (10%) of its net assets in UCITS or other UCI as referred to in art. 41, section 1, of the Law of 2010.

The Sub-Fund may use financial techniques and instruments in order to promote an efficient portfolio management, in accordance with the restrictions set forth in the “Financial techniques and instruments” chapter of the prospectus. The Sub-Fund will use only SFT ~~and TRS~~ as set forth in the section "Use of SFT ~~and TRS~~" below.

Sustainability Risk and ESG criteria taken into account

The Sub-Fund takes into account the sustainability risks in its investment decisions as defined and described in the Chapter *ESG CRITERIA AND SUSTAINABILITY RISKS*. This Sub-Fund qualifies as an "Article 6" financial product for the purposes of Regulation UE 2019/2088 on Sustainable Finance Disclosure Regulation (‘SFDR’).

The Sub-Fund also takes into account ESG criteria in the manner described in the same Chapter, section "*General approach to ESG criteria and sustainability risks*".

Nevertheless, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Use of SFT

The Sub-Fund will only use securities lending as SFT.

The maximum proportion of assets under management of the Sub-Fund that can be subject to securities is as follows:

Securities lending	50%

The current expected proportion of assets under management that will be subject to securities lending is as follows:

Securities lending	0%-25%

Units, currency and valuation date

This Sub-Fund issues capitalisation units in the form of registered securities. The Management Company may decide to issue distribution units.

The reference currency of the Sub-Fund is the euro. The net asset value of this Sub-Fund is calculated daily.

The minimum amount of the first subscription is 2,500 euro. No minimum amount for subsequent subscriptions.

There are two (2) classes of units:

- Class A: quoted in Euro, with the foreign exchange risks left unhedged. Existing unit holders of Globersel Equity remain in Class A. Class A unit prices continue to be valued at current NAV's.

- Class B: quoted in Euro, with the foreign exchange risks hedged.

Fees

No fee will be applied to subscriptions, redemptions or conversions into units of this Sub-Fund.

The Management Company will apply quarterly a **management fee** at a maximum annual rate of one point seventy-five per cent (1.75%).

The fee will be calculated on the average net asset value of the Sub-Fund in the reference quarter.

In addition to the **management fee**, the Management Company will receive **a performance fee** according to the **Benchmark** method described in the general section BENCHMARKS AND PERFORMANCE FEES and at the following terms:

Share Class	Benchmark	Performance fee	Cap
A	95% MSCI World Index (MSDUWI)	18%	No
	5% Merrill Lynch Euro Government Bill Index (EGB0)		
B	95% MSCI World Index (MXWOHPEU)	18%	No
	5% Merrill Lynch Euro Government Bill Index (EGB0)		

For Class A with the foreign exchange risks unhedged, the MSCI World index is converted into Euro at the NAV exchange rate

For Class B, with the foreign exchange risks hedged, the MSCI World index remains in USD.

The benchmarks MSCI World Index and Merrill Lynch Euro Govt Bill Index used by the Sub-Fund for the purpose of performance fee calculation and to measure the performance of the Sub-Fund are, at the date of the prospectus, provided by a benchmarks administrator who is authorised or recognised on the ESMA register of benchmark administrators in accordance with the EU Benchmark Regulation, please see the section "ESMA Register of Benchmark Administrators" of the prospectus.

Risk profile

In addition to the risks defined in the “Investment Objectives and Policy of the Fund” chapter of the prospectus, the investor must also take into account the following risks:

Investment in this Sub-Fund involves risks due to possible variations in net asset value which, in turn, depend on the values of the securities in which the Sub-Fund invests.

In particular, the investor must consider that investing in shares involves a higher level of risk than investing in debt securities due to market risks. The investor must also consider the risk related to variations in the price of securities due to fluctuations in interest rates.

In respect to equity shares as well as debt securities, the following risks must be taken into account: risks related to the liquidity of the securities, risks related to the currency in which these have been issued.

The existence of such risks involves the possibility of not receiving back the entire capital on redemption.

The Sub-Fund may use derivative financial instruments in order to promote efficient management of the portfolio and to hedge market risks. The derivative markets are more volatile than those of securities and expectations of earnings are higher, as also are the risks of losses.

Any investment in shares entails a higher risk than an investment in bonds.

Overall risk assessment method

The compartment will use the commitment approach to calculate its overall risk.

Profile of the typical investor

This Sub-Fund addresses to investors with a long-term (5 to10 years) investment horizon willing to accept a high level of risk.

The investor is warned that all investments involve a percentage of risk and that it cannot be guaranteed that investment policy objectives will be achieved.

Past performance

A chart of the past performance of the Class A and Class B of the Sub-Fund can be found in the Key Investor Information Document.