



KBL KEY FUND

Prospectus
July 2016

Variable capital investment fund - Luxembourg
R.C.S. Luxembourg : B 63616 - VAT No. LU21642162

Subscriptions are not valid unless made on the basis of the Prospectus in force and the KIID accompanied by the most recent annual report, and by the most recent half-yearly report if the latter is published after the most recent annual report. No persons are authorised to supply information about the Sicav which is not contained in the Prospectus.

WARNING

KBL Key Fund (hereinafter (the "**Sicav**") is a variable capital investment company registered on the list of undertakings for collective investment in transferable securities (hereinafter "**UCITS**") and governed in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**Law of 2010**"). Such registration does not however imply approval or disapproval on the part of a Luxembourg authority regarding the adequacy or accuracy of this Prospectus (hereinafter the "Prospectus") or the securities portfolio held by the Sicav. Any declaration to the contrary would not be authorised and would be illegal.

The Sicav's board of directors (hereinafter the "**Board of Directors**") is responsible for the accuracy of the information contained in the current Prospectus on the date of its publication. Consequently, any information or affirmation not contained in the Prospectus, the appendices to Part II of the Prospectus if appropriate, or in the reports which form an integral part of it must be considered as unauthorised.

This Prospectus is subject to updates. Therefore its is recommended that potential subscribers enquire at the Sicav about the publication of the most recent Prospectus.

Investing in shares in the Sicav entails risks, details of which are given in the chapter "Risks associated with an investment in the Sicav".

The Sicav has been approved as a UCITS in Luxembourg. This Prospectus may not be used as an offer or solicitation for sale in any country or in any circumstances where such an offer or solicitation is not authorised. Any potential investor in shares who receives a copy of the Prospectus or subscription sheet in a territory other than those described above may not consider these documents as an invitation to buy or subscribe to shares, unless, in the territory in question, a similar invitation could be legally made, without the need to register, or unless this person complies with the legislation in force in the territory in question, obtains any government or other authorisations required and submits to any applicable formalities. It is necessary to verify before any subscription which countries the Sicav has been registered in and more particularly which sub-funds, categories or asset classes have been authorised for marketing and whether there are any legal constraints or foreign exchange restrictions regarding the subscription, purchase, possession or sale of the Sicav's shares.

No steps have been taken to register the Sicav or its shares with the US Securities and Exchange Commission as provided for in the 1940 Investment Company Act, as amended, or any other regulation on transferable securities. This Prospectus may consequently not be introduced, transmitted or distributed to the United States of America (USA), its territories and dependencies, or to a US person as defined by Regulation S of the US Securities Act of 1933, as amended, except as part of transactions which are exempt from registration under the 1933 Securities Act. Any breach of these restrictions may constitute a violation of US laws on transferable securities.

Shares in the Sicav may be neither offered nor sold to US persons, nor to persons who may not have the legal capacity to do so or with regard to whom a solicitation to sell is illegal (hereinafter "**non-authorised persons**").

The abovementioned definition of US persons is extended to the criteria defined by the *Foreign Account Tax Compliance Act* ("**FATCA**").

The Board of Directors may demand the immediate redemption of the shares bought or held by unauthorised US persons, including investors who become unauthorised US persons after acquiring the shares.

Investors are to inform the Sicav and/or the Transfer Agent and Registrar (i) if they become unauthorised persons or (ii) if they hold shares in the Sicav in violation of the Sicav's legal/regulatory provisions, or those of its Prospectus or articles of association, or (iii) any circumstances which may have legal/regulatory consequences for the Sicav or the shareholders or may otherwise be contrary to the interests of the Sicav or other shareholders.

The Sicav draws investors' attention to the fact that an investor may fully exercise his investor rights directly against the Sicav, in particular the right to attend General Shareholders' Meetings only if the investor himself and his name are in the Sicav's register of Shares. If an investor invests in the Sicav through an intermediary investing in the Sicav in his name but for the investor's account, certain shareholder rights may not necessarily be exercised directly by the investor vis-à-vis the Sicav. It is advised that the investor informs himself as to his rights.

Investments in the Sicav involve risks including those linked to equity and bond markets, the exchange rate between currencies and the volatility of interest rates. No assurance can be given that the Sicav will attain its objectives. The value of capital and income deriving from the Sicav's investments is subject to variations and investors may not get back the amount initially invested. Furthermore, past performance is no indication of future performance.

Before investing in the Sicav or if there are any doubts about the risks linked to an investment in the Sicav or the suitability of a sub-fund to the investor's risk profile with regard to his personal situation, investors are advised to consult their own financial, legal and tax advisers to determine whether an investment in the Sicav is suitable for them and to request their assistance so as to be fully informed about the legal or tax consequences or the results of any currency restrictions or controls with regard to the subscription, possession, redemption, conversion or transfer of the shares pursuant to the laws in force in the country of residence, domicile or establishment of these persons.

The objective of the SICAV is to offer its shareholders the possibility to invest in an investment vehicle oriented towards the growth of capital invested in UCITS, UCI and other transferable securities.

Handling of data

Certain personal data concerning investors (including, but not limited to, the name, address and amount invested by each investor) may be collected, recorded, stored, adapted, transferred or processed and used by the Sicav, the Administrative Agent, Custodian, Transfer Agent and Registrar and any other person providing services to the Sicav and the financial intermediaries of these investors.

Such data may in particular be used for accounting and administration purposes in connection with the remuneration paid to distributors, as well as for the purposes of complying with identification requirements imposed by laws to combat money laundering and the financing of terrorism, keeping the register of registered shares, processing subscription, repurchase and conversion applications and dividend payments to shareholders and providing targeted services to clients. Such information shall not be transmitted to unauthorised third parties.

The Sicav may delegate the processing of personal data to another entity such as the Administrative Agent, Transfer Agent and Registrar. The Sicav undertakes not to transmit personal data to unauthorised third parties, i.e. third parties other than the Delegate, unless required to do so by law or on the basis of the investor's prior agreement.

All investors are entitled to access their personal data and may request amendments if said data are inaccurate or incomplete.

By applying for the Sicav's shares, all investors accept that their personal data may be processed in this way.

Shares of the Sicav are subscribed only on the basis of the information contained in the Prospectus and the Key Investor Information Document (hereafter KIID). The KIID is a pre-contractual document which contains key information for investors. It includes appropriate information on the key characteristics of each class of shares in the Sicav.

If you plan to subscribe shares, you should first carefully read the KIID together with the Prospectus and its annexes, if appropriate, which contain specific information on the investment policies of the Sicav and consult the most recently published annual and six-monthly reports of the Sicav, copies of which are available on the web site www.kbl.lu from local agents or from those entities marketing the Sicav's shares, as appropriate, and may be obtained on demand, free of charge, at the registered office of the SICAV during office hours on banking days in the Grand Duchy of Luxembourg.

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Each sub-fund has its own separate information section. This specifies, for each sub-fund, its investment policy and objective, share characteristics, benchmark currency, subscription, redemption and/or conversion modalities, applicable fees and other specific aspects of the sub-fund in question. Investors are reminded that unless otherwise specified in Part II, each sub-fund is subject to the general conditions laid out in Part I.

ORGANISATION

Registered office	11, rue Aldringen L-1118 Luxembourg
Board of Directors of the Sicav	
Chairman	Rafik Fischer KBL European Private Bankers S.A. 43, boulevard Royal L-2955 Luxembourg
Directors	Bernard Jacquemin KBL European Private Bankers S.A. 43, boulevard Royal L-2955 Luxembourg Serge D’ORAZIO KBL European Private Bankers S.A. 43, boulevard Royal L-2955 Luxembourg
Management Company	KREDIETRUST LUXEMBOURG S.A. 11, rue Aldringen L-2960 Luxembourg
Board of Directors of the Management Company	Olivier de Jamblinne de Meux KBL European Private Bankers S.A. 43, boulevard Royal L-2955 Luxembourg Chairman Rafik Fischer KBL European Private Bankers S.A. 43, boulevard Royal L-2955 Luxembourg Director Franck Sarre Banque Pulaetco Dewaay Luxembourg S.A. 2, boulevard Emmanuel Servais Director Stefan van Geyt Kredietrust Luxembourg S.A. 11, rue Aldringen L-2960 Luxembourg

Conducting officers of the Management Company	<p>Stefan van Geyt Kredietrust Luxembourg S.A. 11, rue Aldringen L-2960 Luxembourg</p> <p>Aurélien Baron Kredietrust Luxembourg S.A. 11, rue Aldringen L-2960 Luxembourg</p>
Custodian bank	<p>KBL EUROPEAN PRIVATE BANKERS S.A. 43, boulevard Royal L-2955 Luxembourg</p>
Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent	<p>KREDIETRUST LUXEMBOURG S.A. 11, rue Aldringen L-2960 Luxembourg</p>
Global Distributor	<p>KBL EUROPEAN PRIVATE BANKERS S.A. 43, boulevard Royal L-2955 Luxembourg</p>
Auditor	<p>DELOITTE AUDIT 560, rue de Neudorf L-2220 Luxembourg</p>
Representative and Paying Agent in Germany	<p>MERCK FINK & CO 16, Pacellistrasse D-80333 Munich</p>
Financial service in Belgium	<p>Puilaetco Private Bankers S.A. 46, avenue Herrmann Debroux B-1160 Bruxelles</p>
Central correspondent in France	<p>CM-CIC SECURITIES S.A. 6, avenue de Provence F-75009 Paris</p>
Representative and Paying Agent in the Netherlands	<p>THEODOOR GILISSEN BANKIERS N.V. Nieuwe Doelenstraat 12-14 1012 CP, Postbus 567 NL-1000 AN Amsterdam</p>
Representative in Switzerland	<p>CARNEGIE FUND SERVICES S.A., 11, rue du Général Dufour CH-1204 Genève</p>
Local paying agent in Switzerland	<p>BANQUE CANTONALE DE GENÈVE 17, quai de l'Île CH-1204 Genève</p>

PART I - GENERAL INFORMATION

The information contained in this part summarises the main characteristics of the Sicav; it should be read in the light of the whole Prospectus, including the appendices in Part II.

1 THE SICAV

The KB LUX KEY FUND Sicav was renamed KBL KEY FUND, effective 31 May 2006, following the extraordinary general meeting of 22 May 2006.

The Sicav is registered with the Trade Register of Luxembourg under the number B 63.616.

The KBL KEY FUND Sicav was the result of a change made on 13 March 1998 in the KB Lux Key Fund mutual fund. Its Articles of Association were filed with the Registrar of the Luxembourg Municipal Court on 27 March 1998 and published in the Mémorial C Recueil Spécial des Sociétés et Associations on 27 April 1998. The Articles of Association were last amended by notarial act on 22 May 2006, published in the Mémorial C of 26 June 2006.

The Sicav offers investors the choice between various sub-funds, each having different investment objectives. Each sub-fund forms a separate pool of assets. In this respect the Sicav is an 'umbrella' fund with multiple sub-funds.

The Sicav is a single legal entity. In derogation from Article 2093 of the Civil Code and pursuant to Article 181 of the Law, the assets of a specific sub-fund only cover the debts and liabilities of this sub-fund. For relations between the shareholders, each sub-fund is treated as a separate entity.

The Sicav currently offers the following sub-funds:

- KBL KEY FUND - EUROPE
- KBL KEY FUND – GLOBAL EMERGING
- KBL KEY FUND - NATURAL RESOURCES EQUITIES
- KBL KEY FUND - NORTH AMERICA

The Board of Directors may at any time and in accordance with the Articles of Association issue sub-funds, whose investment objectives will differ from those of the sub-funds which have already been created.

Upon the creation of new sub-funds, the Prospectus will be adjusted with detailed information concerning the new sub-funds.

The capital of the Sicav will at all times be equal to the net assets of all sub-funds aggregated together.

In each sub-fund the Board of Directors may at any time decide to issue different share classes (hereafter "share classes" or "classes") whose assets shall be invested in accordance with the

investment policy of the sub-fund in question but shall have a specific fee structure or other distinctive characteristics proper to each class.

The Sicav's capital is denominated in EUR.

2 ADMINISTRATION AND MANAGEMENT

2.1 Board of Directors

The Board of Directors shall be vested with the broadest powers to act on behalf of the Sicav in any circumstances, notwithstanding the powers expressly assigned by Luxembourg law to the General Meeting of Shareholders.

The Board of Directors is responsible for the administration and management of the assets of each of the Sicav's sub-funds. It may carry out all acts of management on behalf of the Sicav, in particular, purchase, sell, subscribe for or exchange any transferable securities all rights directly or indirectly attached to the Sicav.

2.2 Custodian bank and paying agent

KBL European Private Bankers S.A., a public limited company (*société anonyme*), was appointed Custodian Bank for the Sicav by virtue of an agreement concluded on 13 March 1998 This agreement was concluded for an indefinite period and may be terminated by either party with 90 calendar days' notice.

The Custodian Bank is a limited company established under the law of the Grand Duchy of Luxembourg for an unlimited time. Its registered office is located at 43, boulevard Royal, L-2955 Luxembourg. As at 31 December 2015, KBL European Private Bankers S.A.'s capital and reserves amounted to EUR 1.143.985.320,17.

As Custodian Bank, KBL European Private Bankers S.A. shall carry out its functions and responsibilities in accordance with the stipulations of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions (the UCITS Directive) and the Law of 2010. The Custodian Bank shall, pursuant to the UCITS Directive:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of units of the Sicav are carried out in accordance with the applicable Luxembourg law and the Articles of Association;
- (b) ensure that the value of the Sicav's shares is calculated in accordance with the applicable Luxembourg law and the Articles of Association;
- (c) carry out the instructions of the AIFM or the Sicav, unless they conflict with the applicable Luxembourg law and the Articles of Association;
- (d) ensure that in transactions involving Sicav's assets any consideration is remitted to the Sicav within the usual time limits;
- (e) ensure that the Sicav's income is allocated in accordance with Luxembourg law and the Articles.

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

- (a) opened in the name of the Sicav or the Custodian Bank acting on behalf of the Sicav;
- (b) opened with an entity described in Article 18 (1) (a) (b) (c) of Directive 2006/73/EC; and
- (c) held pursuant to the principles set out in Article 16 of Directive 2006/73/EC.

The Sicav's assets shall be entrusted to the Custodian Bank for safekeeping, as follows:

- (a) for financial instruments that may be held in custody, the Custodian Bank shall:
 - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the books of the Custodian Bank and all financial instruments that can be physically delivered to the Custodian Bank;
 - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the books of the Custodian Bank are registered in the Custodian Bank's books within segregated accounts in accordance with principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Sicav, so that they can be clearly identified as belonging to the Sicav in accordance with the applicable law at all times;
- (b) for the other assets, the Custodian Bank
 - (i) verify the ownership by the Sicav of such assets by assessing whether the Sicav holds the ownership based on information or documents provided by the Sicav and, where available, on external evidence;
 - (ii) maintain a record of those assets for which it is satisfied the Sicav holds the ownership and keep that record up to date.

The assets held by the Custodian Bank may only be reused under certain circumstances, as laid down in the UCITS Directive.

To carry out its role efficiently, the Custodian Bank may delegate the abovementioned functions to third parties, once the conditions set out in the UCITS Directive have been met. When choosing and appointing a delegated third party, the Custodian Bank acts with the competence, attention and diligence required by the UCITS Directive and the corresponding CSSF regulations in order to ensure that the Sicav's assets are entrusted to a third party to ensure a sufficient level of protection.

The list of third parties to whom these functions have been delegated is available on the www.kbl.lu/fr/notre-metier/clientele-institutionnelle/reglementation/ and is provided for investors free on request.

Conflicts of interests

In the exercise of its functions and the performance of its obligations as custodian of the Sicav, the Custodian Bank shall act honestly, fairly, professionally, independently and in the sole interests of the Sicav and the Sicav's investors

As a multi-service banking establishment, the Custodian Bank may offer the Sicav, in addition to safe-keeping services, a wide range of banking services, directly or indirectly, through parties linked or not

to the Custodian Bank.

The provision of additional banking services and/or links between the Custodian Bank and the Sicav's main service providers may give rise to possible conflicts of interest with the Custodian Bank's mission and obligations towards the Sicav.

To identify the different types of conflict of interest and the main sources of possible conflicts of interest, the Custodian Bank must take into account, at the least, situations in which the Custodian Bank, one of its employees or any other person associated with it and any body or employee over which it exercises direct or indirect control is involved.

The Custodian Bank must take all reasonable measures to avoid conflicts of interest or limit them if avoidance proves impossible. When despite the abovementioned precautions, a conflict of interests occurs at the level of the Custodian Bank, the latter must at all times take into account its duties and obligations under the Custodian Bank Agreement concluded with the Sicav and act accordingly. If, despite all the measures taken, a conflict of interest likely to be significantly prejudicial to the Sicav or the Sicav's investors cannot be avoided by the Custodian Bank given its duties and obligations under the Custodian Bank Agreement concluded with the Sicav, the Custodian Bank shall indicate the said conflict of interest and/or the source to the Sicav which shall take the appropriate steps. In addition, the Custodian Bank shall maintain and apply efficient organizational and administrative provisions to take all reasonable measures to correctly (i) avoid these conflicts of interest being prejudicial to its clients, (ii) manage and resolve such conflicts following the Sicav's decision and (iii) monitor them.

Insofar as the financial landscape and the Sicav's organisational structure are likely to evolve over time, the nature and range of potential conflicts of interest as well as the circumstances in which they may occur within the Custodian Bank are also likely to change.

If there are significant changes to the Sicav's organisational structure or the range of Custodian Bank services required by the Sicav, the said change shall be subject to the agreement of the Custodian Bank's internal validation committee. This committee shall evaluate the impact of such a change on the nature and extent of possible conflicts of interest with the Custodian Bank's duties and obligations towards the Fund and shall examine appropriate measures of containment.

The situations likely to give rise to a conflict of interest have been identified, as at the date of this Prospectus, as the following (if new ones are identified, the list below shall be updated accordingly) :

- Conflicts of interest between the Custodian Bank and the Sub-Custodian:
 - The process of selecting and monitoring the Sub-Custodian is managed in accordance with the Law of 2010 and is functionally and hierarchically separate from any other commercial relations exceeding sub-custody of the Sicav's financial instruments and likely to influence the execution, by the Custodian Bank, of this selection and monitoring process. The risk and impact of conflicts of interest are further diminished by the fact that none of the Sub-Custodians that the Custodian Bank contacts for the safekeeping of the Sicav's financial instruments is a member of the KBL group.

- The Custodian Bank holds a major stake in the capital of EFA and certain members of the Custodian Bank's staff are members of EFA's board of directors.
 - The members of the Custodian Bank's staff who are on EFA's board of directors are not involved in the day-to-day management of EFA, which is the responsibility of EFA's executive committee and staff. In the exercise of its functions and missions, EFA uses its

own staff and acts in accordance with its own procedures, rules of conduct and management framework.

- The Custodian Bank is likely to intervene as custodian of other UCUTS and provide additional banking services to those of a custodian and/or intervene as counterparty of the Sicav in OTC transactions in derivative products.
 - The Custodian Bank shall do everything possible to provide its services objectively and to treat all its clients fairly, in accordance with its best execution policy.
- Certain members of the KBL group staff are on the Board of directors of the Sicav.
 - The members of the Board of directors shall signal (if necessary) any conflict of interest to the Board of directors and may be obliged not to take part in any discussions relating to the decision in question; the said conflict shall then be entered in the minutes of the meeting.
- - The Custodian Bank and the AIFM are part of the KBL group and certain members of staff from other LBL group entities (not acting as custodians) have seats on the AIFM's Board of directors.

Consequently, the following conflicts of interest are likely to arise:

- o Possibility that the Custodian Bank favours the interests of the AIFM to the detriment of those of a UCI or a group of UCI, or to the detriment of the interests of the unitholders/investors or a group of unitholders/investors, for financial or other reasons
- o Possibility that the Custodian Bank obtains an advantage from the AIFM or a third party in relation to the services provided to the detriment of the interests of the Sicav or its investors.
 - The Custodian Bank shall act in respect of the standards applicable to credit institutions, in accordance with the Law of 2010 and in the best interests of the Sicav and its investors, without being influence by the interests of other parties.
 - The Custodian Bank shall do everything possible to provide its services objectively.
 - The Custodian Bank and the AIFM are two separate entities each with different objectives and different staff, guaranteeing a clear separation of tasks and functions.

The Custodian Bank is liable to the Sicav and its investors for any loss by the Custodian or by a third party to which the custody of financial instruments has been delegated in accordance with the provisions of the UCITS Directive. The Custodian Bank is not liable if it can prove that such loss is the result of an external event beyond its reasonable control, the consequences of which would have been inevitable despite all reasonable efforts taken to avoid them.

For losses relating to other assets, the Custodian Bank is only liable for negligence or the wilful poor execution of its obligations.

The Custodian Bank is not liable for the content of this Prospectus and shall not be held liable for partial, misleading or biased information in this document.

In addition, the Custodian Bank is entitled to be reimbursed by the Sicav for its reasonable disbursements and costs charged to it by any correspondent bank or other agent (including any clearing system).

The Custodian Bank Agreement may be terminated by either party upon written notice sent to the other specifying the termination date which may not be less than ninety (90) days from the date of

such notice. The Sicav shall make every effort to appoint a new custodian and obtain authorisation from the CSSF within a reasonable time after notification of the termination, provided that this appointment be made within a period of two months. The Custodian Bank shall continue to meet its obligations until the completion of the transfer of the relevant assets to another custodian appointed by the Sicav and approved by the CSSF.

Pursuant to an agreement concluded on 13 March 1998, KBL European Private Bankers S.A. also acts as Paying Agent. As main paying agent, KBL European Private Bankers S.A. shall be responsible for paying income and dividends, if there are any, to the shareholders.

2.3 Management Company, Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent

The Board of Directors of the Sicav appointed KREDIETRUST Luxembourg S.A. as Management Company (hereinafter Management Company) by means of a contract dated 28 April 2006 to provide management, administration and marketing services. KREDIETRUST LUXEMBOURG S.A. is an approved Management Company pursuant to the stipulations of Chapter 15 of the Law. The list of other undertakings for collective investment managed by the Management Company is available on request from the management company.

The Management Company has been appointed Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent pursuant to the agreements concluded on 28 April 2006.

The Management Company delegates, on its own responsibility and under its own control, the functions of Registrar and Transfer and Administrative agent to the European Fund Administration S.A., 2 rue d'Alsace, L-1017 Luxembourg.

Furthermore, the Sicav bears the operational expenses such as Domiciliary Agent fees, printing and distribution costs for the annual and half-yearly reports and prospectuses, expenses linked to the registration of the Sicav and its maintenance with government bodies and any other expenses in line with Luxembourg market practice.

The Board of Directors of the Management Company is comprised as follows:

Chairman	Mr Olivier de Jamblinne de Meux, KBL European Private Bankers S.A.
Directors	Mr Franck Sarre, Puilaetco Dewaay Private Bankers S.A. Mr Rafik Fischer KBL European Private Bankers S.A. Luxembourg Mr Stefan van Geyt Kredietrust Luxembourg S.A.

The conducting officers of the Management Company:

Mr Stefan van Geyt
Mr Aurélien Baron

The amount of paid-up capital for the Management Company is EUR 2,300,000.

Kredietrust Luxembourg S.A. is a subsidiary of KBL European Private Bankers S.A.

The remuneration policy of the Management Company aims to ensure the best alignment between the interests of investors, those of the Management Company and achieving the Sicav's investment objectives without encouraging excessive risk taking. This remuneration policy incorporates, in its performance management system, specific risk criteria for the operational units involved. The criteria used to establish a fixed remuneration are complexity of the work, level of responsibility and local market conditions.

The remuneration policy and practices shall apply to categories of staff, including general management, risk takers, those in a supervisory role and any employee who, given his overall remuneration, is in the same remuneration bracket as general management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Sicav, who respect and promote sound and effective risk management practices, who do not encourage risk taking incompatible with the Sicav's risk profile and its Articles of Association and who respect the obligation of the Management Company to act in the Sicav's interest. All staff with variable remuneration (such as payment of bonuses) are subject to an annual performance review including quantitative and qualitative criteria.

The Management Company's remuneration policy stipulates that where remuneration is performance linked, the performance review shall be defined in a multi-annual framework appropriate to the holding period recommended to investors in the funds managed by the Management Company so that the review process is based on the fund's long-term performance and that the actual payment of the remuneration elements based on the performance are distributed over the same period. The Management Company shall balance appropriately the fixed and variable remuneration elements and ensure that the fixed element is sufficiently high for a fully flexible remuneration policy to be applied (in particular the option not to be pay variable remuneration). Certain available amounts may be paid over a period determined in accordance with the applicable laws and regulations.

The details of the latest version of the Management Company's remuneration policy are available at <https://www.kbl.lu/en/what-we-do/institutional-clients/regulatory-affairs/>. A copy is available to investors free of charge on request from the Management Company's registered office.

The abovementioned agreements are concluded for an indeterminate period and may be cancelled by either party upon three months' written notice.

2.4 Manager

A Management agreement was concluded between the Sicav and KREDIETRUST LUXEMBOURG S.A. for an indefinite period and may be cancelled by one of the two parties giving three months' written notice.

Subject to the Sicav's prior approval, the Management Company may delegate, on its own responsibility and under its own control, the management of one or more sub-funds to one or more managers (hereinafter "**Managers**") who are named in the appendices to the sub-funds in Part II of this Prospectus

Depending on the strategy followed by one or more sub-funds, several Managers may be designated to manage them. In this case it will be mentioned in the appendix to the sub-fund concerned.

The name and a description of the Managers, if appropriate, and their remuneration are given in the appendices to the sub-funds in Part II of this Prospectus.

2.5 Distribution Agent

The Management company has delegated share distribution to KBL European Private Bankers S.A., 43, boulevard Royal, L-2955 Luxembourg.

The contract, dated 30 April 2006, has been concluded for an indefinite period and may be cancelled by KBL European Private Bankers S.A. with 15 working days written notice or by the management company with no notice.

3 INVESTMENT OBJECTIVES AND POLICY

The Sicav, as its main objective, seeks to preserve capital in real terms and the long-term growth of its assets. Evidently no guarantee can be given that this objective will be reached.

Given the investment policies of the various sub-funds as mentioned in Part II of this prospectus, the portfolio of these sub-funds is subject to securities' market fluctuations and the risks inherent in any investment and no guarantee can be given that the Sicav's investments will be profitable.

The past performance of the various sub-funds can be seen in their KIIDs.

Investments will be selected in undertakings for collective investment and companies which have performed exceptionally well in the past which are managed or advised by well-known managers or advisers and which use the services of a top custodian bank and auditor. Despite a strict procedure for selecting and monitoring funds in which the assets of the Sicav are invested there can be no way of being certain that information on past performance will be indicative of the future performance of these investments (in terms of profitability or correlation).

Each sub-fund may use financial techniques and instruments within the limits laid down in the chapter on "Financial Techniques and Instruments". Commitments from these transactions may at no time exceed the value of the net assets of the sub-fund in question.

From the viewpoint of regular management of the assets of the sub-funds in question, each sub-fund may contract futures on transferable securities and stock market indices and on warrants on indices or baskets of equities traded on a regulated market, which functions regularly and is recognised and open to the public or traded on OTC markets.

Furthermore, for the purchase and/or sale of purchase options or the sale of transferable securities and indices traded on a regulated market, which functions regularly and is recognised and open to the public or traded on OTC markets it is possible to increase the exposure to the corresponding transferable security or corresponding market.

The Sicav may also **purchase or sell futures, swaps and options on currencies** with the aim of increasing positions in currencies other than the benchmark currency of the sub-fund concerned.

The use of derivatives may be an advantage. When using these the Sicav will always apply the principle of prudence and efficient management of the sub-funds.

On the other hand derivatives may also involve different risks, in some cases higher ones, to those linked to traditional investments. Such as:

- market risk which applies to all types of investment, given that the use of derivatives requires not only an understanding of the basic instruments and also the derivatives themselves, without creating the possibility of observing the performance of derivatives in all possible market conditions;
- credit risk, if another party taking the derivative does not observe the stipulations of the derivative. The credit risk for derivatives which are traded on the stock exchange is generally less than the risk for derivatives traded OTC because the clearing house acting as issuer or counterparty for each derivative traded on a stock exchange endorses the performance

guarantee. To reduce the overall risk of loss, this guarantee is backed by a daily payment system (i.e. hedging demands) run by the clearing house. There is no guarantee comparable to that of the clearing house for derivatives traded OTC and the Sicav must take into account the solvency of each counterparty for a derivative traded OTC when estimating the potential credit risk;

- liquidity risks as certain instruments are difficult to buy or sell. If the derivative transactions are particularly large or if the corresponding market is not liquid (as is the case for many derivatives traded OTC), the transactions cannot be carried out where a position cannot be realised at a favourable rate;
- risk of determining the rate or valuation of derivatives,
- the risk resulting from the imperfect correlation between derivatives and their assets, interest rate and underlying indices. Many derivatives are complex and are often valued in a subjective way. Inadequate valuations may lead to higher transfers of clearing prices to counterparts or to a loss of value for the Sicav. Derivatives are not always directly linked or parallel to the value of the assets, interest rates or indices from which they are derived. This is why recourse to derivatives is not always an efficient way to achieve the company's investment objective and may sometimes even have the opposite effect.
- counterparty risk. This risk may not exceed, for each sub-fund, 10 % of its net assets when the counterparty is a credit institution as described in Section I, point 2) of the chapter 'Regulations common to all present and future sub-funds' below or 5 % of the net assets in other cases.

4 RESTRICTIONS ON INVESTMENTS

All these regulations are common to all present and future sub-funds. All transferable securities and money-market instruments shall in the main be officially listed on a stock exchange or traded on a regulated market operating regularly, recognised and open to the public (a "regulated market") in a country in Europe, in Asia, Africa, the Americas or Oceania.

SECTION I

As well as transferable securities and money market instruments the Sicav may invest in:

1. shares / units of UCITS pursuant to Directive 2009/65/EC and / or UCI in the sense of Article 1 (2), first and second indents, of Directive 2009/65/EC, whether or not located in a Member State of the European Union, provided that:
 - these other UCI are authorised pursuant to legislation providing that these undertakings are subject to monitoring which is considered by the CSSF to be equivalent to that stipulated in Community legislation and that co-operation between the authorities is sufficiently guaranteed;
 - the level of protection guaranteed to holders of units in these other UCI is equivalent to that provided for holders of units in UCITS and, in particular, that the rules on the division of assets, loans, borrowings, short sales of securities and money-market instruments are equivalent to those of Directive 2009/65/EC;
 - the activities of the other UCI are subject to half-yearly and annual reports allowing valuation of assets and liabilities, profits and operations during the period under consideration;
 - the proportion of assets of the UCITS or other UCI whose acquisition is envisaged, which, pursuant to their articles of association, may be invested in the units of other UCITS or other UCI does not exceed 10%.
2. demand deposits with a credit institution or deposits that can be withdrawn and having a maturity date of less than or equal to 12 months, on condition that the credit institution has its registered office in an EU Member State or if the registered office of the credit institution is in a third country, it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community legislation.
3. financial derivatives, including similar instruments giving a cash settlement which are traded on a regulated market and/or financial derivatives traded on the OTC market (**OTC derivatives**) provided that:
 - the underlying consists of instruments relating to the investments described above, financial indices, interest rates, exchange rates or currencies in which the Sicav may invest pursuant to its investment aims, as laid down in the Sicav's Articles of Association of the present prospectus,
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to categories authorised by the CSSF and
 - the OTC derivatives are subject to a reliable evaluation on a daily basis and may, on the initiative of the Sicav, be sold, liquidated or closed on a symmetrical transaction, at any time and at their fair value.

The Sicav manager uses a method of risk management which makes it possible to check and measure at any time the risk linked to positions and the contribution of these to the sub-fund's general risk profile. For OTC derivatives, it uses a method which allows precise and independent valuation.

The Sicav manager will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of each sub-fund.

The risks are calculated by taking into account the current value of underlying assets, counterparty risks, foreseeable market changes and the time available to liquidate the positions.

Overall, the risks to which the underlying assets are exposed may not exceed the investment limits stipulated in Section II (3) below.

Each of the Sicav's sub-fund's overall exposure to derivatives is calculated using the commitment method laid down in CSSF circulars 07/308 and 11/512.

The total net commitment of each sub-fund in the Sicav to 100% of the total net portfolio value of the said sub-fund.

4. money-market instruments other than those traded on a regulated market and referred to in Article 1 of the Law, insofar as the issuer or issuer of these instruments is subject itself or themselves to regulations aimed at protecting investors and savings and that these instrument are:
 - 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 third State or, in the case of a Federal State, by one of the members comprising the federation or by a public international body of which one or more Member States is a member, or
 - issued by a company whose stocks are traded on regulated markets or
 - issued or guaranteed by an institution subject to prudential supervision according to the criteria defined by Community law or by an institution which is subject and conforms to prudential regulations considered by the CSSF as at least as strict as those laid down in Community legislation or
 - issued by other bodies belonging to the categories approved by the CSSF inasmuch as investments in these instruments are subject to investor protection rules which are equivalent to those laid down in the first, second and third indents and that the issuer is a company with capital and reserves amounting to at least ten million euro (EUR 10 000 000) 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 which is dedicated financing securitisation vehicles benefiting from a bank line of finance.

SECTION II

Within the framework of its activities, the Sicav may not:

1. invest more than 10% of the net assets of each sub-fund in transferable securities and money-market instruments other than those mentioned under Section I.
2. hold cash except secondarily;
3. a) invest more than 10% of the net assets of each sub-fund in transferable securities or money-market instruments from the same issuer. Deposits with the same body may not exceed 20%

of the net assets of each sub-fund. The counterparty risk for each sub-fund in an OTC derivative transaction may not exceed 10% of the assets when the counterparty is a credit institution mentioned in point 2 of Section I or 5% of the assets in other cases.

Moreover, the total value of the transferable securities and money market instruments held by each sub-fund in issuers in which it invests more than 5% of its assets may not exceed 40% of the value of the its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and OTC derivative transactions with these institutions.

Notwithstanding the individual limits fixed in paragraph (a), no sub-fund may combine:

- investments in transferable securities or money-market instruments issued by one issuing body;
- deposits with a single body and/or
- risks from OTC derivative transactions which account for more than 20% of its assets with a single body.

b) The limit of 10% mentioned under (a) above may be extended to 35% maximum when the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its public territorial authorities, by a non-EU country or by international public institutions to which one or more EU Member States belong.

c) The limit of 10% mentioned under (a) above may be extended to 25% maximum in the case of certain bonds if they are issued by a financial institution having its registered office in an EU Member State and which is subject to a specific public supervision imposed by law, to protect the holders of these bonds.

Where the Sicav invests more than 5% of the assets of each sub-fund in such bonds issued by one and the same issuer, the total value of these investments should not exceed 80% of the value of the net assets of this sub-fund.

d) The transferable securities and money market instruments referred to under (b) and (c) shall not be taken into account for the limit of 40% fixed under 3 (a).

The limits provided for under (a), (b) and (c) may not be cumulative and, for that reason, the investments in transferable securities or money market instruments of one and the same issuer made in accordance with paragraphs (a), (b) and (c) may under no circumstances exceed 35% of the net assets of each sub-fund of the Sicav.

e) The Board of Directors of the Company is authorised, in accordance with the principle of the spreading of risks, decide to invest up to 100% of the net assets of any sub-fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its public territorial bodies, by a Member State of the Organisation for Economic Co-operation and Development (OECD), or by international organisations of a public character of which one or more Member States of the European Union are part, on the condition that such securities belong to at least six different issues, without the securities belonging to a single issue exceeding 30% of the total amount.

4. to invest more than 20% of the net assets of each sub-fund in shares/units of undertakings for collective investment in transferable securities (UCITS) or the same UCI as described above (and in Article 41 (e) of the Law). In application of this investment limit, each sub-fund of a multiple sub-fund UCI is to be considered as a distinct issuing body, on condition that the principle of segregating the liabilities of the various sub-funds with regard to third parties is adhered to. Investments in shares or units of UCI other than UCITS may not exceed a total of 30% of the net assets of each sub-fund.

No issuing, acquisition, repayment or redemption fee will be charged to the Sicav if the transactions relate to shares/units of a UCI with which the Sicav is linked in an investment or

managing capacity. Further, no management or advisory fee may be charged on the portion of the assets invested in such UCI.

5. acquire shares with voting rights and exert a significant influence upon the management of an issuer;
6. acquire more than
 - 10% of the non-voting shares of one and the same issuer;
 - 10% of the bonds of one and the same issuer;
 - 25% of the shares or units issued by the same UCITS and/or other UCI,
 - 10 % of money-market instruments issued by the same issuer.

The limits mentioned under paragraphs 5 and 6 do not apply to:

- a) transferable securities and money-market instruments issued or guaranteed by an EU Member State or its territorial authorities;
 - b) transferable securities and money-market instruments issued or guaranteed by a non-EU Member State;
 - c) transferable securities and money-market instruments issued by international public institutions to which one or more EU Member States belong;
 - d) shares held by the SICAV in the capital of a company of a non-EU country, which invests its assets essentially in securities of issuers who are nationals of this country, when, pursuant to this country's legislation, such participation is the only possibility for the SICAV to invest in securities of issuers of that country. This derogation, however, is only applicable when the company of the non-EU Member State respects the limits in paragraphs 3, 4 and 6; ;
 - e) shares held by the Sicav in the capital of subsidiaries which carry out certain management, advisory or marketing activities exclusively for the Sicav ;
7. borrow more than 10% of the net assets of each sub-fund for non-temporary loans which can be used for redemption transactions;

Moreover, the Sicav may borrow up to 10% of its assets for the acquisition of fixed property indispensable to the direct pursuit of its activities. The aggregate of the two loans may in no case exceed 15% of the net assets of each sub-fund of the Sicav;

8. grant credits or act as a guarantor for third parties and operate short sales of transferable securities, money-market instruments or other financial instruments referred to in Section I, paragraphs 1,3 and 4.

If the abovementioned limits are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, the SICAV must regularise that situation, as a priority for its sales transactions, taking into account the interests of its shareholders.

Risk Warning

As the portfolio of each sub-fund of the Sicav is subject to market fluctuations and to the risks inherent in any investment, share prices may vary as a result and the Sicav cannot give any guarantee that its objectives will be achieved.

Risk management method

The management company uses a risk management method which allows it to control and measure at all times the risk associated with the positions and their contribution to the general risk profile of each sub-fund and which allows an exact and independent valuation of the OTC derivatives.

The risk management method used depends on the specific investment policy of each sub-fund.

Unless otherwise stipulated for a particular sub-fund in the appendix to Part II of the Prospectus, the recourse to liabilities will be used to measure global risk.

5 FINANCIAL TECHNIQUES AND INSTRUMENTS

The Sicav is authorised, in respect of each sub-fund and according to the rules set out below, to:

- have recourse to techniques and instruments relating to securities on condition that recourse to such techniques and instruments be for the purpose of good portfolio management;
- have recourse to techniques and instruments designed to hedge against exchange rate risks in the course of managing their assets.

For the purpose of efficient portfolio management, the SICAV may engage in:

- transactions relating to options;
- transactions in financial futures and in options thereon;
- bond lending;
- repurchase transactions.

5.1 Transactions relating to options on transferable securities

The Sicav may buy and write both put and call options provided that such options are traded on a regulated market which functions regularly and is recognised and open to the public. The Sicav may also buy and sell put and call options traded on OTC markets. In this case the Sicav will only deal with top-rate financial institutions specialised in this type of transaction.

When engaging in such transactions, the SICAV must comply with the following rules:

5.1.1 Rules governing the buying of options

The aggregate of the premiums paid for the acquisition of the outstanding call options and put options referred to here, together with the aggregate of the premiums paid for the acquisition of the current call options and put options referred to under point 2.3 below as well as the purchase cost of warrants on stock exchange indices, may not exceed 15% of the net asset value of each sub-fund.

5.1.2 Rules designed to hedge commitments resulting from option dealings

At the time of writing call options, the sub-fund concerned must hold either the securities in question, or equivalent call options or other instruments that are likely to provide adequate cover for the commitments resulting from the contracts concerned, such as warrants.

Securities underlying sold call options may not be sold during the life of those options unless they are hedged by opposite options or by other instruments that may be used for that purpose.

The same applies to equivalent call options or to other instruments which the sub-fund concerned is required to hold if it does not own the underlying securities at the time the options are written.

When writing put options, the sub-fund in question must be covered throughout the whole duration of the option contract by such cash as it may need to pay for the securities delivered in the event that the counterparty exercises its options.

When writing put options, the Sicav runs the risk of making a loss when the price of the underlying securities falls below the striking price less the premium paid.

5.1.3 Conditions and limitations on the writing of call and put options

The aggregate of the commitments resulting from the writing of call options and from the writing of put options together with the aggregate of the commitments resulting from the transactions referred to in point 2.3 below, may at no time exceed the net asset value of the sub-fund concerned.

Furthermore, the commitments resulting from sold put and call option contracts is equal to the aggregate of the striking prices.

5.2 Transactions relating to futures contracts and contracts on financial instruments (financial futures)

With the exception of the private transactions referred to in point 2.2 below, the transactions referred to here may concern only contracts which are traded on a regulated market which functions regularly and is recognised and open to the public.

Subject to the conditions set out below, these transactions may be engaged in for hedging or other purposes.

5.2.1 Transactions aimed at hedging risks associated with stock market trends

In order to provide overall protection against the risk of a downturn on the stock markets, the Sicav may sell financial futures on stock market indices. For the same purpose, it may also write call options or buy put options on stock market indices.

Since these transactions are intended for hedging risks, a sufficiently close relationship must exist 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 estimated value of the securities held by the sub-fund concerned in the market corresponding to that index.

5.2.2 Transactions aimed at hedging risks resulting from interest rate fluctuations

In order to provide overall protection against the risks of interest rate fluctuations, the SICAV may sell interest rate futures. For the same purpose, it may also write call options or buy put options on interest rates or enter into interest rate swaps as part of private 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 estimated value of the assets to be hedged held by the sub-fund concerned in the currency of the contracts in question.

5.2.3 Transaction aimed at hedging exchange risks

For each sub-fund the Sicav may engage in transactions to sell forward currency contracts as well as writing call options and buying put options on foreign currencies. The transactions referred to here

may relate only to contracts traded on a regulated market which functions regularly and is recognised and open to the public.

The SICAV may also enter into forward sales or currency swaps in the context of private transactions with first-class financial institutions specialising in this type of operation.

Since these transactions are intended for hedging risks, there must exist a direct link between them and the assets to be hedged; this implies that the volume of transactions effected in one currency may not, in principle, exceed the valuation of all assets denominated in that currency, nor the duration for which those assets are held.

In its financial reports, the Sicav must indicate in respect of the different types of transactions involved, the total amount of the commitments incurred as a result of the operations outstanding at the reference date for the reports in question.

5.2.4 Transactions for purposes other than hedging

The futures and options markets are highly volatile and the risk of incurring a loss is exceedingly high.

The Sicav may, in respect of each sub-fund, buy warrants on stock exchange indices, buy and sell futures contracts, options and swaps on all types of financial instruments and/or currencies for a purpose other than hedging, on condition that the aggregate of the commitments resulting from such purchases and sales, together with the aggregate of the commitments resulting from sales of call and put options on transferable securities and warrants on stock exchanges at no time exceeds the net asset value of the sub-fund in question.

Written call options on transferable securities for which the SICAV is adequately hedged are not taken into account for calculating the aggregate of commitments referred to above.

Accordingly, commitments resulting from operations that do not relate to options on transferable securities, are defined as follows:

- the commitment resulting from futures contracts is equal to the settlement value of the net positions of contracts relating to identical financial instruments (after set-off between buying and selling positions), without taking account of their respective maturity dates, and
- the commitment resulting from writing and purchasing options and warrants on stock exchange indices is equal to the aggregate of the striking prices of the options and warrants on stock exchange indices making up the net selling positions relating to the same underlying asset, without account being taken of their respective maturity dates.

It is noted that the aggregate of the premiums paid for the acquisition of the outstanding call options and put options referred to here, together with the aggregate of the premiums paid for the acquisition of the call options and put options on transferable securities referred to under point 1.1 above, as well as the purchase cost of warrants on stock exchange indices, may not exceed 15% of the net asset value of the sub-fund in question.

The sub-funds may conclude securities' lending transactions and repurchase agreements (together the Techniques) in accordance with the applicable regulations in force and in particular the 2010 Law, Circular CSSF 08/356, Circular CSSF 14/592 and the ESMA recommendations (European Securities and Markets Authority) recommendations).

The sub-funds may use the Techniques if (i) they are economically appropriate and viable and (ii) used in order to reduce risks and costs, raise capital or extra income for the Sicav with a level of risk in line with the risk profile and applicable risk diversification rules.

The direct and indirect operating costs resulting from the Techniques shall be deducted from the income generated for the Sicav. The costs do not include hidden income and amount to a maximum 100% of the income. The Sicav shall mention in its financial reports the identity of the body(ies) to which these direct and indirect costs were paid and shall indicate if this/these body(ies) is/are linked to the Management Company or the Custodian Bank.

5.3 Bond lending

The Sicav may, in respect of each sub-fund, engage in bond lending operations on condition that it observes the following rules:

5.3.1 Rules designed to guarantee performance of bond lending operations

The Sicav 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 SICAV must in principle receive, on behalf of the sub-fund in question, a guarantee, the value of which at the time of the conclusion of the lending contract is at least equal to the total estimated value of the securities lent.

This guarantee must be given in the form of cash and/or bonds issued or guaranteed by Member States of the OECD or by local authorities thereof or by community, regional or world supranational institutions or bodies and be blocked in the name of the SICAV for the sub-fund in question until the expiry of the lending contract.

5.3.2 Conditions and limitations of lending operations

Lending transactions may not be entered into in respect of more than 50% of the total estimated value of the securities held in portfolio by the sub-fund in question. The Sicav has the right at any time to terminate the contract and recover the securities lent.

Bond lending transactions may not exceed a period of 30 days.

5.4 Repurchase transactions

The Sicav may occasionally engage in repurchase transactions which consist in purchases and sales of securities whose clauses reserve for the seller the right to repurchase the securities from the buyer at such price and term as are agreed between the two parties at the time the contract is concluded.

When entering into such lending transactions, the Sicav must in principle receive, on behalf of the sub-fund in question, a guarantee, the value of which at the time of the conclusion of the repurchase contract is at least equal to the total estimated value of the securities bought or sold.

The SICAV may take part in repurchase transactions either as buyer or seller. Nevertheless its participation in such transactions shall be subject to the following rules:

5.4.1 Rules designed to guarantee performance of repurchase transactions

The Sicav may buy or sell repurchasable securities only if the counterparties to such transactions are first-class financial institutions specialising in this type of transaction.

5.4.2 Conditions and limitations of repurchase transactions

Throughout the duration of a contract for the purchase of repurchasable securities, the Sicav may not sell the securities to which the contract relates before the counterparty has exercised his right to repurchase the securities or before the period within which that right has to be exercised has expired.

The Sicav must seek to maintain the size of repurchase transactions at such a level that will enable it at all times to meet its repurchase obligations in respect of the sub-fund that is subject to such transactions.

When the Sicav enters into a repurchase agreement, it shall ensure that:

- in the case of a repurchase agreement, it may recover the full amount of the agreement in cash or terminate it at any time, on an premature basis or at the market price. If the cash refund may be obtained at any time at the market price, the market value of the repurchase agreement shall be used to calculate the net asset value of the Sicav;
- in the case of a repurchase agreement, it may recover the securities covered by the agreement or terminate it at any time;
- the repurchase agreements with a duration of less than or equal to seven days shall be deemed to enable the Sicav to recover the assets concerned at any time.

5.5 Guarantees and Reinvestment of Guarantees received within the framework of financial derivatives traded over the counter and efficient portfolio management techniques

To limit the counterparty risks linked to OTC financial instruments and to efficient portfolio management techniques, the sub-fund shall ensure that the counterparty remits and holds throughout the duration of the transaction, financial guarantees in accordance with the regulations in force and in particular the 2010 Law, Circular CSSF 08/356 and Circular CSSF 14/592 and the recommendations from ESMA (European Securities and Markets Authority).

5.5.1 Guarantee level and valuation

The level of guarantee required for OTC derivatives and other techniques and instruments shall be fixed in line with the nature and characteristics of the transactions carried out, counterparties, market conditions and regulations applicable. The level of guarantees received by a sub-fund during the

period of the transaction should be equal to 100% of the total value of the securities lent or repurchased or received within the framework of the OTC derivatives transaction.

The guarantees shall be valued on a daily basis, based on the available market prices and adequate deductions decided on by the Management Company for each asset class other than cash on the basis of its policy on haircuts. If the prices of the guarantees received are very volatile, the Sicav shall require other guarantees or apply a conservative discount.

5.5.2 Discount policy

This policy takes account of many factors depending on the nature of the guarantees received, such as the issuer's credit rating, the maturity, currency and volatility of the assets price.

The following discounts are applied by the Sicav to the eligible assets in accordance with this section of the Prospectus below:

Eligible guarantee	Discount
Cash	0%
Bonds issued by supranational issuers or agencies (\geq AA)	3%
Bonds issued by OECD States (\geq BBB)	3%
Bonds issued by private companies (\geq A)	5%

5.5.3 Assets accepted in guarantee

Cash: Any guarantee received by the sub-fund should be highly liquid, traded on a regulated market or a multilateral trading system offering price transparency to allow the quick resale at a price close to the value at the moment of presale. The Sicav shall only accept as guarantees :

- cash;
- bonds issued by supranational issuers or agencies with an AA rating from Standard & Poor's or equivalent;
- bonds issued by OECD states with an BBB credit rating from Standard & Poor's or equivalent; or
- bonds issued by private companies with a credit rating equal to or higher than A from Standard & Poor's or equivalent.

High-grade issuers: the guarantees received will be of high quality.

Correlation: the guarantees received should be issued by a body independent of the counterparty and should not be strongly correlated with the counterparty's performance.

Diversification: The financial guarantees must be sufficiently diversified in terms of countries, markets and issuers. In particular, when a sub-fund is exposed to several counterparties, all the financial guarantees received from the counterparties must be aggregated and the value of the assets issued by the same issuer and received as a guarantee may not be more than 20% of the sub-fund's net assets.

Risks: the risks linked to managing the guarantees, such as legal and operational risks are identified, managed and reduced in accordance with the risk management procedure.

Transfer of ownership: guarantees received with the transfer of ownership shall be held by the Sicav's custodian bank. For other guarantees received, the guarantees may be held by a third-party custodian subject to supervision and not linked to the counterparty providing the guarantee.

Realisation: The sub-fund must be able to realise the guarantees at any time without the involvement or agreement of the counterparty.

5.5.4 Investment policy

The financial guarantees other than in cash received for OTC derivatives may not be sold, reinvested or pledged.

The financial guarantees received in cash for OTC derivatives or other techniques and instruments, as described in section 4 of the Prospectus below may only be:

- invested with bodies as stipulated in section 2.7);
- invested in top quality government bonds ;
- used for repurchase transactions, provided that these transactions are concluded with credit institutions subject to prudential supervision and that the Sub-fund may at any time recall the total cash amount including accrued interest;
- invested in short-term money market funds.

The reinvested financial guarantees in cash must be sufficiently diversified in terms of countries, markets and issuers. The criterion for adequate diversification in terms of concentration of issuers is considered respected when the sub-fund receives from a counterparty a basket of financial guarantees with an exposure to a given issuer of a maximum of 20% of its net asset value. When a sub-fund is exposed to several issuers, the different baskets of financial guarantees must be aggregated to calculate the exposure limit of 20% to one issuer.

6 RISKS ASSOCIATED WITH AN INVESTMENT IN THE SICAV

Before deciding to subscribe to shares in the Sicav, all investors are invited to read carefully the information in the Prospectus and take into account their current and future financial and tax situation. Investors should pay particular attention to the risks described in this chapter, in the appendices in Part II of the prospectus and if appropriate in the KIID.. The risk factors listed above are likely, individually or collectively, to reduce the return on an investment in the Sicav's shares and may result in the partial or total loss of the investment in the Sicav's shares.

The Sicav draws investors' attention to the fact that an investor may fully exercise his investor rights directly against the Sicav, in particular the right to attend General Shareholders' Meetings only if the investor himself and his name are in the Sicav's register of Shares. If an investor invests in the Sicav through an intermediary investing in the Sicav in his name but for the investor's account, certain shareholder rights may not necessarily be exercised directly by the investor vis-à-vis the Sicav. The investor is advised to inform himself as to his rights with his adviser.

The value of the investment in the Sicav's shares may increase or decrease and is not guaranteed in any way. The shareholders run the risk that the redemption price of their shares or the amount of the liquidation surplus of their shares will be significantly less than the price the shareholders paid to subscribe to the Sicav's shares or to acquire shares in the Sicav

An investment in the Sicav's shares is exposed to risks which may include or be linked to equity and bond risks, foreign exchange, rate, credit, counterparty and volatility risks and also political risks and those of force majeure. Each type of risk may appear in conjunction with other risks.

The risk factors in the Prospectus and KIID are not exhaustive. Other risk factors may exist that an investor should consider in lien with his personal situation and current and future circumstances.

Investors must in addition be fully aware of the risks linked to an investment in the Sicav's shares and consult with a legal, tax or financial adviser in order to get full information on (i) the appropriate character of investment in these shares in line with their personal financial and tax situation and personal circumstances, (ii) information contained in the Prospectus, the appendices to Part II of the Prospectus and the Key Information, before taking an investment decision.

The diversification of the sub-funds' portfolios and the conditions and limits set out in sections 4 and 5 aim to manage and limit the risks without however excluding them. No guarantee can be given that a management strategy employed by the Sicav in the past and which was successful, will continue to be successful in the future. Likewise, no guarantee can be given that the past performance of the management strategy used by the Sicav will be similar to the future performance. The Sicav cannot guarantee that the objective of the sub-funds will be achieved and that investors will recover the amount of their initial investment.

Market risk

This is a general risk affecting all types of investment. The fluctuation in prices of transferable securities and other instruments is essentially determined by the development of the financial markets and by the economic development of the issuers, themselves affected by the general situation of the global economy and by the economic and political conditions prevailing in their countries.

Equity market risk

The risks associated with equity investments (and similar instruments) include significant fluctuations in price, negative information about the issuer or the market and the subordinate character of equities compared to the bonds issued by the same company. Fluctuations are often worse in the short term. The risk of one or more companies posting a fall or not increasing may have a negative effect on the overall performance of the portfolio at a given moment.

Certain sub-funds may invest in companies which are subject to IPOs (Initial Public Offerings). In this case the risk is that the share price introduced on the stock exchange will be subject to great volatility due to factors such as the absence of a prior public market, non-seasonal transactions, the limited number of tradeable securities and the lack of information on the issuer. The sub-funds investing growth stocks may be more volatile than the overall market and may react differently to economic, political, market and issuer-specific developments. Growth stocks are traditionally more volatile than other stocks, especially in the very short term. Such stocks may also be more expensive compared to their yield than the market in general. Consequently, growth stocks may react more violently to variations in their yield growth.

Risk linked to investments in bonds, debt securities, fixed-income products (including high-yield stocks) and convertible bonds

For sub-funds which invest in bonds or other debt securities, the value of these investments will depend on market interest rates, the issuer's credit rating and cash considerations. The net asset value of a sub-fund investing in debt securities will fluctuate depending on interest rates, perception of the issuer's credit rating, market liquidity and also foreign exchange rates (when the investment currency is different to the sub-fund's benchmark currency that the investment is in). Certain sub-funds may invest in high-yield debt securities when the income level may be relatively high (compared to an investment in quality debt securities); however, the risk of depreciation and capital loss on such debt securities will be higher than that on debt securities with a lower yield.

Investments in convertible bonds are sensitive to fluctuations in the prices of the underlying shares ("share component" of convertible bonds) while offering a certain form of protection of part of the capital ("bond floor" of convertible bonds). The level of capital protection decreases in line with the size of the share component. The corollary of this is that when a convertible bond's market value has increased substantially following an increase in the underlying share price, its risk profile will be closer to that of a share. On the other hand, when a convertible bond's market value has dropped to the level of its bond floor following a fall in the underlying share price, its risk profile, from this point, will be closer to that of a traditional bond.

Convertible bonds, like all other type of bonds, are subject to the risk that the issuer cannot meet its obligations as regards paying interest and/or repaying the principal at maturity (credit risk). The perception by the market of an increase in the probability of this risk occurring for a given issuer sometimes results in a very significant decline in the bond's market value and therefore in the protection offered by the bond content of the convertible bond. Bonds are in addition exposed to the risk of a drop in their market value following an increase in benchmark interest rates (interest rate risk).

Risks of investing in emerging markets

The suspension and cessation of payments by developing countries are due to various factors such as political instability, bas economic management, a lack of currency reserves, capital outflows, internal conflict or the lack of political will to continue servicing the previously contracted debt.

The capacity of private sector issuers to meet their obligations may also be affected by the same factors. In addition, these issuers are subject to the effect of decrees, laws and regulations implemented by the governmental authorities. Examples include modifications to the foreign exchange control and legal and regulatory systems, expropriation and nationalisation, introduction or increase in taxes, such as withholding tax.

Settlement and clearing systems are often less well organised than in developed countries. This leads to the risk that settlement or clearing of transactions may be delayed or cancelled. Market practices may require that a transaction be paid for before the securities have been received or other instruments acquired or that the securities or other instruments be delivered before payment is received. In these circumstances, default on the part of the counterparty through which the transaction is executed may cause losses for the sub-fund investing in these markets.

Uncertainty linked to the unclear legal environment or the inability to define property and legal rights are another determining factor. In addition there is the lack of reliable sources of information in these countries, non-conformity of accounting methods with international standards and the lack of financial or commercial controls.

Currently, investments in Russia are subject to an increased risk of ownership and of holding Russian securities. It may be that ownership and holding of securities will only be materialised through registration in the issuer's books or the register (who is neither an agent nor responsible to the depositors). No certificate representing ownership of the securities issued by Russian companies will not be held by custodian, the local correspondent or the central custodian. Due to these market practices and the lack of regulation and effective control, the Sicav could lose its ownership status for securities issued by Russian companies due to fraud, theft, destruction, negligence, loss or disappearance of the securities in question. In addition due to market practices Russian securities may have to be deposited with Russian institutions which do not always have adequate insurance to cover the risks of loss linked to theft, destruction, loss or disappearance of the deposited securities.

Concentration risk

Certain sub-funds may concentrate their investments on one or more countries, geographic regions, economic sectors, asset classes, types of instrument or currencies in such a way that they may be impacted by economic, social, political or fiscal events affecting these countries, geographic regions, economic sectors, asset classes, types of instrument or currencies.

Interest rate risk

The value of an investment may be affected by fluctuations in interest rates. Interest rates may be influenced by a number of elements or events such as monetary policy, discount rates, inflation etc. The investor's attention is drawn to the fact that an increase in interest rates leads to a fall in the value of investments in fixed-income instruments and debt securities.

Credit risk

This is a risk which may result from the downgrading of a bond or debt securities issuer and is thus likely to lower the value of the investment. This risk is linked to an issuer's capacity to honour its debts.

The downgrading of an issuer or issuer may lead to a fall in the value of the debt securities in question, in which the sub-fund has invested. Bonds or debt securities issued by bodies with a low rating are generally considered as securities with a higher credit risk and likelihood of issuer default than those of higher rated issuers. When the bond or debt securities issuer finds itself in financial or economic difficulties, the value of bonds or debt securities (which may become zero) and transfers made for these bonds or debt securities may be affected.

Exchange risk

If a sub-fund has assets denominated in different currencies from its benchmark currency, it may be affected by any fluctuation in exchange rates between the benchmark currency and the other currencies or by a possible modification to exchange rate controls. If the currency in which a stock is denominated rises against the sub-fund's benchmark currency, the countervalue in this benchmark currency will rise. On the other hand, depreciation in the same currency will lead to a depreciation in the stock's countervalue.

When the sub-fund hedges against exchange risk, the complete success of the operation cannot be guaranteed.

Liquidity risk

There is a risk that investments in the sub-funds become illiquid due to a market being too restricted (often reflected by a very wide bid-ask spread or large price movements); or if their rating falls or the economic situation deteriorates; consequently these investments may not be sold or bought quickly enough to avoid a loss in the sub-funds or reduce this to a minimum. Finally there is a risk that stocks traded in a narrow market segment, such as small caps, fall prey to strong price volatility.

Counterparty risk

When concluding over the counter contracts, the Sicav may be exposed to counterparty solvency risks and their capacity to honour the conditions of these contracts. The Sicav may also conclude forward contracts, on options and swaps and use other derivative techniques each of which has a risk that the counterparty will not honour its commitments within the framework of the contract.

Derivative instrument risk

Within the framework of the investment policy described in each of the appendices to Part II of the Prospectus for the sub-funds, the Sicav may use derivatives. These products are not only used for hedging but are also an integral part of the investment strategy to optimise return. Use of financial derivatives may be limited by market conditions and applicable regulations and may involve risks and fees to which the sub-fund would not be exposed if it had not used these instruments. The risks inherent in using options, foreign exchange contracts, swaps, forward contracts and options on them include in particular: (a) the fact that success depends on the accuracy of the analysis of the manager or sub-manager of the portfolio with regard to movements in rates, prices of securities and/or money-market instruments and currency markets; (b) imperfect correlation between the prices of options, forward contracts and options on them and the movements in the prices of securities, money-market instruments or hedged currencies; (c) the fact that the skills required to use these financial derivatives are different from those needed to select the stocks in the portfolio; (d) possibility of an illiquid secondary market for a particular instrument at a given time; and (e) the risk of a sub-fund finding itself unable to buy or sell a stock in the portfolio during favourable periods or having to sell a portfolio asset during unfavourable periods. When a sub-fund makes a swap, it is exposed to counterparty risk. The use of derivatives also has a risk linked to their leverage effect. This leverage effect is obtained by investing a modest amount in the purchase of derivatives compared to the cost of directly acquiring the underlying assets. The greater the leverage, the greater the variation in the price of the derivative if the price of the underlying asset fluctuates (compared to the subscription price determined in the derivative's conditions). The potential and risks of these instruments increase parallel to the strengthening of the leverage effect. Finally, nothing can guarantee that the objective for which these financial derivatives are used will be achieved.

Risk linked to efficient portfolio management techniques

This risk affects any sub-fund using efficient portfolio management techniques. Efficient portfolio management techniques, such as securities lending and repurchase transactions, may carry various risks, mainly linked to the quality of the guarantees received/reinvested, such as liquidity risk, counterparty risk, issuer risk and valuation and regulation risk, may have an impact on the performance of the sub-fund in question.

Securities lending risk

The main risk linked to securities lending transactions is that the securities' issuer becomes insolvent or finds itself unable to return the issued securities and that at the same time the value of the collateral given as a guarantee does not cover the cost of replacing the securities lent.

If the collateral received is reinvested, the value of the reinvested collateral may fall to a level lower than the value of the securities lent by the Sicav.

Investors' attention is also drawn to the fact that the Sicav which lends the securities gives up its right to vote attached to the securities lent for the whole period of the loan in question.

Taxation

Investors must be aware of the fact that (i) the proceeds of the sale of securities on certain markets or the receiving of dividends or other income may be or become subject to tax, duties or other fees and charges imposed by the market authorities including withholding tax and/or (ii) the sub-fund's investment may be subject to specific taxes or charges imposed by the authorities of certain markets. The tax legislation as well as practices of certain countries in which the sub-fund invests or may invest in the future are not clearly defined. Consequently it is possible that a current interpretation of the legislation or the understanding of a practice may change or the legislation may be changed with retroactive effect. . It is also possible that the sub-fund may be subject to supplementary taxation in such countries which was not expected at the date of this Prospectus or the date on which investments were made, valued or sold.

Risks linked to investments in UCI units

Investments by the Sicav in units of UCI (including investments by certain Sicav sub-funds in units of other sub-funds of the Sicav) expose the Sicav to risks linked to financial instruments that the UCI hold in portfolio and which are described above. Certain risks however are specific to the Sicav holding UCI units. Certain UCI may use leverage effects either through derivatives or borrowing. The use of leverage effects increases the price volatility of these UCI and thus the risk of a loss of capital; Most UCI also have the possibility of temporarily suspending redemptions in special circumstances of an exceptional nature. Investments made in UCI units may have a greater liquidity risk than direct investment in a portfolio of securities; However, investing in UCI units allows the Sicav to have access to various professional management styles and diversification of investments in a flexible and efficient manner. A sub-fund which mainly invests through UCI shall ensure that its UCI portfolio has appropriate liquidity to meet its own redemption obligations;

Investing in UCI units may involve the duplication of certain fees in the sense that, as well as the fees charged at the level of the sub-fund in which the investment is made, the investor in question is subject to a portion of the fees charged at the level of the UCI in which the sub-fund invests.

The Sicav offers investors a choice of portfolios which may have differing degrees of risk and therefore, in principle, a projected long-term overall yield in line with the degree of risk accepted.

The investor will find the degree of risk for each share class on offer in the KIID.

In addition, the higher the risk level, the more investors must have a long-term investment timescale and be ready to accept the risk of a substantial capital loss.

Exchange risk hedging

Exchange risk hedging against the benchmark currency of the sub-fund may be carried out within the limits stipulated in the chapter "Financial techniques and instruments". The return from these hedging transactions is entered directly in the profit or loss for this share category.

This hedging may not, for technical reasons, be total nor cover the entire exchange risk. Moreover, such hedging removes any chance of investors profiting from any positive developments in the exchange rate.

Bearer shares may always be converted into registered shares and vice versa. The costs of such exchanges will be borne by the shareholder.

In the case of registered shares the Board of Directors is likewise authorised to issue share fractions. The issue of the fractions is authorised with a precision of a thousandth of a share (three figures after the point). These share fractions represent a part of the net assets and give the right to a proportional share of the dividend that the Sicav may distribute as well as the proceeds of the liquidation of the latter. The share fractions do not have voting rights.

Shareholders who request registration in the shareholders' register kept by the registrar and transfer agent shall not receive a certificate representing their shares unless they specifically request this. Instead the Registrar and Transfer Agent shall issue a confirmation of the registration in the register.

General risk profile for sub-funds which invest in emerging and Eastern European markets : potential investors are advised that investing in UCITS which invest in emerging markets and eastern Europe involves risks which are not generally encountered on the majority of western European or North American or other mature markets.

These risks are:

- **political: instability and volatility of the political environment and situation;**
- **economic: including high rates of inflation, risks linked to investments in recently privatised companies and currency depreciation, limitation of investments for non-residents, immature financial markets and/or lack of market or stock exchange control;**
- **monetary: risk of the devaluation of local currencies due to certain unstable political and economic factors in the countries concerned;**
- **legal: judicial insecurity and difficulties, in general, in attributing and/or sanctioning laws;**
- **tax: in certain countries, fiscal charges may be severe and there is no guarantee of a coherent and uniform interpretation of legal texts. The local authorities often have the discretionary right to create new taxes, sometimes with retroactive effect.**

This results in an increased volatility and illiquidity in investments and, on the other hand, stock market capitalisation in these countries is weaker than on mature markets. An investment in such a product should therefore not represent a major part of an investor's portfolio. It should be considered as a long-term diversification for sophisticated investors who understand the risks.

The idea of total assets used in the investment policies of the sub-funds is defined as being the total net assets plus payables of the said sub-funds (deduction of technical liquidities).

7 SHARES

7.1 Registered shares

Shares shall be issued as registered shares and no certificate shall be delivered. Shares may also be held and transferred in various accounts open in the settlement systems. Physical bearer share certificates issued on the date of this prospectus shall not be replaced if they are lost or damaged but shall be replaced by Registered shares issued without a certificate. None of the Sicav's shares shall be issued physically, whatever the share class.

For bearer shares which are still in circulation, their holders have until 18 February 2016 to immobilise and register their bearer shares with the European Fund Administration S.A. (EFA) appointed by the Sicav as custodian within the meaning of the Law of 28 July 2014 on the immobilisation of bearer shares EFA has delegated the task of collecting physical bearer shares to be registered by EFA in the shareholders' register to KBL European Private Bankers S.A.

The voting and dividend rights attached to bearer shares may only be exercised if these bearer shares have been immobilised and registered. Any bearer shares which have not been immobilised and registered by 16 February 2016 shall be cancelled.

7.2 Fractions of shares

The issue of the fractions is authorised with a precision of a thousandth of a share (three decimals). These share fractions represent a part of the net assets and give the right to a proportional share of the dividend that the Sicav may distribute as well as the proceeds of the liquidation of the latter. The share fractions do not have voting rights.

7.3 Characteristics of the shares

Existing shareholders have no preferential subscription rights when new shares are issued.

For each sub-fund, the Board of Directors may issue one or more Share Classes. These may later be reserved for specific group of investors approved by the Board of Directors (hereinafter "**approved investors**") such as, in particular, investors from a specific country or region or institutional investors in the sense of Article 174(2) of the Law of 2010.

Cost structures, the initial investment amount, the benchmark currency in which the Net Asset Value is expressed, etc; may vary from one class to another. The Sicav's Board of Directors may impose minimum initial investment amounts for Share Classes, Sub-funds or the Sicav.

Other classes may be created by the Sicav's Board of Directors, which shall decide on their names and characteristics.

The share classes or categories available for each sub-fund are listed in the corresponding appendices to Part II of this Prospectus.

The Benchmark Currency designates the benchmark currency of a Sub-fund (or a Share Class of a Sub-fund if appropriate). It does not necessarily correspond to the currency in which the net assets of the

sub-fund are invested at a given moment. When a currency is mentioned in the name of a sub-fund, this simply designates the sub-fund's benchmark currency and does not indicate any particular bias for a currency within the portfolio. When a currency is mentioned in the name of a sub-fund, this simply designates the sub-fund's benchmark currency and does not indicate any particular bias for a currency within the portfolio. These should be distinguished from the share classes covered.

The sub-funds may be issued by the categories of shares denominated in a currency other than the benchmark currency of the said sub-fund. These share categories may be offered with exchange hedging against the benchmark currency (hedged share class) within the limits allowed in Chapter 6 of the Prospectus "*Financial Instruments and Techniques associated with transferable securities and money-market instruments for efficient portfolio management.*" The return from these hedging transactions is entered directly in the profit or loss for this share category.

At the same time as dividends are paid to distribution shares of a given sub-fund, the part of the net assets of the sub-fund to be allocated to all the distribution shares will be reduced by the global amount of the dividends paid out, while the part of the net assets of the sub-fund to be allocated to all the capitalisation shares will increase.

All of the Sicav's shares are freely transferable subject to the restrictions below. The shares carry no preferential right nor a right of pre-emption and each share gives the right to one vote at each General Shareholders Meeting (General Meeting) whatever its sub-fund or net asset value. The shares are issued with no face value and must be fully paid up. There is no limit to the number of shares issued by the Sicav.

Warning about exchange hedging risks where a share class is hedged against currency risk :

Exchange hedging transactions against the benchmark currency may be carried out within the limits allowed in Chapter 6 of the Prospectus "*Financial Instruments and Techniques associated with transferable securities and money-market instruments for efficient portfolio management.*" The return from these hedging transactions is entered directly in the profit or loss for this share category.

This hedging may not, for technical reasons, be total nor cover the entire exchange risk. Moreover, such hedging removes any chance of investors profiting from any positive developments in the exchange rate.

Warning if using a nominee:

The distributor and his distribution agents may act as nominees or appoint a nominee for investors subscribing to shares through the distribution network. Investors may in addition mandate any other financial intermediary, such as a credit institution or a clearing house for the same ends.

These nominees may also send orders for subscriptions, conversions and redemptions of shares in their name but on behalf of the investors and request that they are listed in the Sicav's share register in their name. These nominees may also send orders for subscriptions, conversions and redemptions of shares in their name but on behalf of the investors and request that they are listed in the Sicav's share register in their name. Unless forbidden by law or local practice, investors may always invest directly in the Sicav without going through a nominee.

The Sicav draws investors' attention to the fact that an investor may fully exercise his investor rights directly against the Sicav, in particular the right to attend shareholders' meetings only if the investor

himself and his name are in the Sicav's share register. If an investor invests in the Sicav through an intermediary investing in the Sicav in his name but for the investor's account, certain shareholder rights may not necessarily be exercised directly by the investor vis-à-vis the Sicav. It is advised that the investor informs himself as to his rights.

All banking and management fees invoiced by a nominee for registering share-related transactions (payment of dividends, redemptions, conversion of shares etc) shall be paid by the investor using this nominee, unless the nominee agrees to pay them.

7.4 ISSUING SHARES

7.4.1 Warning

The attention of investors is drawn to the fact that the initial subscription amount cannot be guaranteed as the net asset value applicable for any redemption will be that calculated at the moment of the sale of the said shares.

The measures aimed at preventing money laundering and the fight against terrorism require the detailed verification of the identity of investors and the origin of the amounts transferred, pursuant to the legal stipulations and regulations in force in Luxembourg. The Management Company (and the Registrar and Transfer Agent acting for the Management Company) reserve the right to request at any time (including when there are no transactions) the information required to verify the identity of an investor, in accordance to the abovementioned legal and regulatory stipulations. If the investor is late in presenting or fails to present the information required for verification, the Management Company (and the nominee or Registrar or Transfer Agent acting for the Management Company) may refuse the subscription request and the related amounts, the transfer of shares, all rights associated with the shares (access to general meetings, voting rights and dividends) or block the redemption of the subscribed shares.

7.4.2 Procedure for issuing shares

The Board of Directors is authorised to issue shares at any moment and without limit.

The shares in each sub-fund and/or each share class may be subscribed to each valuation day as defined in Part II of the Prospectus, at the delegated Transfer Agent and Registrar.

The Board of Directors reserves the right to refuse all or part of a Share subscription request.

When a new share class is launched within a sub-fund the initial price per share in the new share class will be fixed by the Board of Directors.

When the initial subscription period is over, subscription requests will be handled on the basis of the NAV pursuant to the procedure described in Part B of the Prospectus.

For each sub-fund and/or share class the Board of Directors may fix a minimum subscription amount which may be either the number of shares (minimum holding) or the amount to be subscribed in the sub-fund's benchmark currency.

If there are minimum subscription amounts, these will be detailed in Part II of the current Prospectus.

7.4.3 Payment

The price of the subscribed shares is payable in the benchmark currency of the sub-fund or share class in question as specified in Part II of the current Prospectus. The subscription price of each share is payable within the deadline set in Part II of the Prospectus.

Payment must be made exclusively by bank transfer to the Sicav's account with the Custodian Bank. Any payment must clearly indicate the name of the sub-fund and/or share class in which the subscriber is investing.

The price of shares issued may be increased by a fee for professional intermediaries, as specified for each sub-fund in Part II of this Prospectus.

The price of shares issued may be increased by a fee for professional intermediaries, as specified for each sub-fund in Part II of this Prospectus.

The Sicav may, on the request of a potential shareholder and if the Board of Directors agrees, follow up any subscription request which is presented in the form of a non-cash consideration, subject to the conditions of Article 26-1 of the Law of 1915. The nature and type of assets to be accepted in this case will be determined by the Board of Directors and must correspond to the investment policy and restrictions of the Sicav or sub-fund in which the amounts are invested. The costs involved in such a consideration shall be borne by the investor in question..

7.4.4 Miscellaneous

Share certificates will, in normal circumstances, be delivered without delay following payment of the subscription price. The application price per share is payable in the currency of the share category concerned.

The Sicav reserves the right to reject, wholly or partly, any subscription application. Moreover the Board of Directors reserves the right to suspend the issue and sale of shares at any time and without notice.

No share will be issued if the calculation of the net asset value is suspended by the SICAV. Notice of any such suspension will be given to all persons who applied for a subscription and the applications during such a suspension may be withdrawn upon written notice received by the SICAV prior to revocation of the suspension. Unless withdrawn, the applications shall be considered on the first Valuation Day following the revocation of the suspension.

7.5 Redemption of shares

7.5.1 Share redemption procedure

A shareholder wanting to redeem all or part of his shares can make a written request at any time.

The request must indicate the number of shares to be redeemed, the sub-fund they belong to, whether they are distribution or capitalisation shares, and, in the case of registered shares, the name of the registered owner, as well as confirmation of the details concerning the shareholder to whom the payment of the redemption price is to be made.

The request must be accompanied, in the case of bearer shares, by the certificates to be redeemed, together with all coupons not yet due and, in the case of registered shares, by the certificate if issued and by all documents which reveal a transfer, if any. Forwarding of share certificates is at the shareholders' own risk.

Redemption will be at the net asset value less any redemption fees, as specified for each sub-fund in Part II of this Prospectus.

The Sicav is not obliged to execute on the same day D redemption requests representing more than 10% of the shares of a sub-fund in circulation. The Board of Directors may agree that the payment of all or part of the redemption requests which exceed this percentage will be deferred, on a pro rata basis, for a period to be decided upon. Deferred redemption requests must be treated as a priority. The net asset value applicable to these deferred redemption requests will be that of the Valuation Day applicable to the redemption request.

The Sicav may, subject to the express agreement of the shareholder in question, agree to deliver assets in response to a request for a redemption in kind, while observing the stipulations of Luxembourg law and in particular the obligation to provide an assessment report for the Sicav's auditors. The value of these assets shall be determined in accordance with the principles for calculating the net asset value. The value of these assets shall be determined in accordance with the principles for calculating the net asset value. The value of these assets shall be determined in accordance with the principles for calculating the net asset value.

7.5.2 Payment

The payment of the shares to be redeemed will be made in the benchmark currency of the sub-fund or share class in question. The price of shares to be redeemed is payable within the deadline set in Part II of the Prospectus.

The payment will be by transfer to a shareholder account.

Any administrative fees (transfer fees,) linked to the redemption of shares will be borne by the Sicav.

The redemption price may be higher or lower than the purchase price paid by the shareholder, according to the net asset value fluctuations of the shares in question.

The right to redeem will be suspended during any period in which the calculation of the net asset value per share has been suspended. Each shareholder applying for redemption will be advised of such suspension and all applications thus pending may be withdrawn upon written notice to the SICAV, received before the suspension's revocation. In the absence of such application, the shares concerned will be redeemed the first Valuation Day following the end of the suspension.

Redeemed shares are cancelled.

The redemption price of the shares will be in the benchmark currency of the sub-fund in question.

7.6 Conversion of shares

Unless otherwise specified in Part II of this Prospectus, all shareholders may request the conversion of all or part of their shares into shares of another sub-fund at a price equal to the respective net values of the shares of the various sub-funds and under the conditions stipulated for each sub-fund in Part II of this Prospectus. Likewise the shareholder holding distribution shares will have the right to convert them into capitalisation shares and vice versa. This is possible within the same sub-fund as well as switching from one sub-fund to another, subject to the stipulations for each sub-fund in Part II of this Prospectus.

The number of allocated shares in the new sub-fund shall be calculated as follows:

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

where:

A represents the number of shares to be allocated in the new sub-fund /category/ sub-category of shares (distribution shares or capitalisation shares, as applicable);

B represents the number of shares to be converted in the initial sub-fund/ category/ sub-category of shares (distribution shares or capitalisation shares, as applicable);

C represents the net asset value, on the applicable Valuation Day, of shares in the original category / sub-category to be converted (distribution shares or capitalisation shares, as applicable);

D represents the applicable exchange rate between the currencies of the two share sub-funds / categories / sub-categories on the day of conversion;

E represents the net asset value, on the applicable Valuation Day, of shares in the sub-fund / category / sub-category to be allocated (distribution shares or capitalisation shares, as applicable).

In the case of bearer shares, no share fractions, resulting from the conversion, shall be allocated to the shareholder who requested the conversion. Consequently the proceeds of any fraction of a share, resulting from such conversion, will be reimbursed to the shareholder who requested such conversion. No conversion will be made if the calculation of the net asset value of one of the sub-funds concerned is suspended.

The Sicav is not obliged to execute on the same day conversion requests representing more than 10% of the shares of a sub-fund in circulation. The Board of Directors may agree that the payment of all or part of the redemption requests which exceed this percentage will be deferred, on a pro rata basis, for a period to be decided upon. Deferred conversion requests must be treated as a priority. The net asset value applicable to these deferred conversion requests will be that of the Valuation Day applicable to the conversion request.

7.7 Late Trading and Market Timing

The practices of Market Timing and Late Trading, as described below, are formally forbidden.

The shares of the Sicav are not offered to allow for frequent transactions aiming to take advantage of short-term fluctuations in the markets. The Sicav will not be managed, nor serve, as a vehicle for this

type of transaction. This type of management activity, considered 'market timing', could cause possible problems for the Sicav shareholders.

Late Trading means accepting a subscription, redemption or conversion order received after the cut-off time of the day in question and executing it at the price based on the net asset value applicable that day.

As a consequence, the Sicav may reject any subscription or conversion of shares that it considers suspicious, in good faith, of being representative of market timing or late trading involving the assets of the Sicav.

8 NET ASSET VALUE

The net asset value and the issue price, redemption and conversion price per share of each sub-fund are determined each bank business day in Luxembourg (Valuation Day) and are calculated the second following day (Calculation Day). The net asset value of the sub-fund is dated the Valuation Day. If a Calculation Day for the net asset value is a legal or bank holiday in Luxembourg, the Calculation Day will be the next bank business day.

The asset value is determined in the sub-fund's benchmark currency and that of the share. The transferable securities are valued on the basis of their closing prices on the Valuation Day (or if this is not available on the Valuation Day) on the markets where the assets held by the Sicav are traded, as published by the stock exchanges concerned or as communicated by Telekurs AG, Zurich or any similar organisation. The share or units in a UCI in which the Sicav invests are valued on the basis of the net asset value on the Valuation Day or at the last net asset value available on this Valuation Day". The net asset value is calculated by dividing the value of the net assets of each sub-fund of the SICAV by the total number of shares of the class of shares concerned in circulation as of that date, and rounding upwards the obtained result for each share to the nearest hundredth in the benchmark of the currency of the class of shares concerned.

The net asset value of each sub-fund of the Sicav is equal to the difference between the assets and current liabilities of the sub-fund of the Sicav. For the determination of the net assets, revenues and expenses are recorded every day.

The valuation of assets of the different sub-funds shall be determined as follows:

1. The value of cash in hand or on deposit, securities, bills and notes payable on demand and accounts receivable, prepaid expenses, dividends and interests declared or due but not as yet collected, shall be made up of the nominal value of such assets, unless it appears unlikely that such value shall be collected, in which case the value shall be determined by deducting such amount which the Sicav may deem necessary in view of reflecting the true value of such assets.
2. The value of any transferable securities traded or listed on another regulated market shall be determined on the basis of the closing price on the Valuation Day.
3. The value of any transferable securities traded or listed on another regulated market shall be determined on the basis of the closing price on the Valuation Day.
4. UCITS and other UCI will be valued on the basis of the last available net asset value of the UCITS and other underlying UCI on the Valuation Day.
5. Inasmuch as the stocks held in the portfolio on the Valuation Day are neither officially listed nor traded on a stock exchange or on another regulated market, or in the case where, for securities officially listed or traded on a stock exchange or another regulated market, the price as determined pursuant to paragraphs 2 and 3 above is not representative of the true value of such stocks, the valuation shall be made on the basis of their likely value of realisation, estimated with due care and good faith.

6. Money-market instruments with a residual maturity of less than one year are valued as follows (linear valuation): the determining price for these investments will be gradually adapted to the redemption price, starting with the net acquisition price and constantly maintaining the resulting yield. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market yields.
7.
 - a) options and financial futures shall be valued at the last known price on the stock exchanges or regulated markets concerned on the Valuation Day;
 - b) Interest rate swap contracts shall be valued at the last known rates on the Valuation Day on the markets where such contracts were concluded
8. Should a valuation on the basis of the abovementioned rules become impracticable or inexact because of particular circumstances, other generally accepted and verifiable valuation criteria will be applied to obtain an equitable valuation.
Any assets not denominated in the benchmark currency of the sub-fund will be converted into the benchmark currency at the exchange rate in force of the business day in question.
The net asset value per share of each sub-fund and their issue, redemption and conversion prices are available each Luxembourg business day at the Sicav's registered office.

Temporary suspension of the net asset value

The Sicav may suspend the fixing of the net asset value of the shares of one or more sub-funds, the issue and the redemption of shares of that sub-fund, as well as the conversion from and into this sub-fund.

- a) during any period when one of the main stock exchanges, where a substantial part of the Sicav's investments in a given sub-fund is listed, is closed other than for a holiday, or during which the transactions on it are restricted or suspended;
- b) during an emergency when the Sicav cannot normally dispose of its assets of a given sub-fund or cannot value these correctly;
- c) whenever the communications network, normally used for fixing the price or the value of investments of a given sub-fund or the current market price, is out of order; or
- d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares or during which a transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of these shares cannot be effected, in the opinion of the Directors, at a normal exchange rate.
- e) when the net asset value of UCI in which one or more sub-funds invest a significant part of their assets is suspended, so that that value of this investment cannot be reasonably determined.

Such suspension will be published in a Luxembourg newspaper with a large distribution and in any other paper the Board of Directors may determine, and notified to the shareholders requesting the redemption or the conversion of shares by the Sicav at the moment they submit the written application.

Such suspension concerning one sub-fund shall have no effect on the calculation of the net value, the issue, the redemption and the conversion of the shares of other sub-funds.

9 DISTRIBUTION POLICY

The General Meeting of shareholders shall decide upon proposal of the Board of Directors and for each category/sub-category, both for distribution and capitalisation shares, on the use to be made of the balance of the net annual profit on investments. A dividend may be distributed independently of all capital gains and losses realised or non-realised. Further, dividends may include a capital distribution provided that after distribution the net assets of the Sicav total more than EUR 1,250,000.

The net annual investment yield of each sub-fund will thus be spread across, on the one hand, all the distribution shares and on the other, all the capitalisation shares, in proportion to the net assets corresponding to the category that these groups of shares represent.

The part of the net annual revenue of the sub-fund from distribution shares will be distributed to the holders of these shares in the form of a cash dividend.

The part of the net annual revenue from the sub-fund coming from capitalisation shares will be capitalised in the sub-fund corresponding to this sub-fund for the benefit of the capitalisation shares.

Any resolution of the General Meeting, pertaining to the distribution of dividends to distribution shares of a given sub-fund shall be subject to the prior approval of the shareholders of such sub-fund voting by the simple majority of shareholders present and voting.

Upon the decision of the Board of Directors, interim dividends may be paid for the distribution shares of a sub-fund.

Declared dividends may be paid in the benchmark currency of the sub-fund in question or in any other currency determined by the Board of Directors, and at such time and place as may be determined by the Board of Directors. Dividend announcements and the name of the paying agent will be published in a large-circulation Luxembourg newspaper and in any other newspaper which the Board may decide.

Any dividend declared but not claimed by its beneficiary within five years of its attribution may no longer be claimed and will revert to the sub-fund in question. No interest will be paid on any dividend declared by the SICAV and kept by it at the beneficiary's disposal.

From 18 February 2015, dividend payments shall be suspended for bearer shares which have not been deposited and registered with EFA.

10 TAXATION

10.1 Taxation of the Sicav

According to the legislation in force, the SICAV is not subject to any Luxembourg income tax. Similarly, dividends paid by the Sicav are exempt of any Luxembourg withholding tax. The Sicav, on the other hand, is liable to an annual tax of 0.05% of its net asset value. This subscription tax may be reduced to 0.01% of the net asset value of the Sicav attributable to a sub-fund or share class (i) if the shares in the sub-fund or share class are only sold to and held by institutional investors or (ii) if a sub-fund invests exclusively in money-market deposits and instruments in accordance with Luxembourg law. This tax is payable quarterly on the basis of the net assets of the Sicav as calculated at the end of the quarter. The subscription tax does not apply to the portion of the net assets invested in other Luxembourg UCITS which are themselves subject to the subscription tax.

No duty or tax is due in Luxembourg on the issue of shares of the Sicav, except a single tax of EUR 1,239.47, paid upon incorporation.

Under current law and practice no tax is payable on the capital gains realised on the assets of the Sicav. It can be estimated that no capital gains tax will be imposed upon the SICAV's investments in other countries.

The Sicav's income from dividends and interests arising from sources outside Luxembourg may be subject to withholding taxes, at variable rates, which cannot always be recovered.

10.2 Taxation of the shareholders

10.2.1 Taxation of resident shareholders

In certain cases and under certain conditions, the capital gains made by a shareholder, an individual resident in Luxembourg holding or having held, directly or indirectly, more than 10 % of the capital of the Sicav or holding the shares for six months or less before the transfer of a share, the dividends received by a shareholder and the proceeds made or received by a corporate body resident may be subject to taxation in Luxembourg unless a tax allowance or exemption applies.

A resident shareholder is also subject to a wealth tax in Luxembourg and to taxation on donations made in Luxembourg and, under certain conditions, inheritance.

10.2.2 Taxation of non-resident shareholders

In certain cases and under certain conditions a non-resident shareholder holding or having held, directly or indirectly, more than 10 % of the capital of the Sicav or a shareholder having a permanent business establishment in Luxembourg to which the share is linked may be subject to taxation in Luxembourg if a tax allowance or exemption does not apply.

A non-resident shareholder is not subject to a wealth tax in Luxembourg or to taxation on donations not made in Luxembourg and inheritance.

Income received by an individual resident in a country of the European Union or certain dependent or associated territories, may, depending on the investment strategy of the sub-fund of the Sicav in

which this shareholder holds shares fall within the scope of Directive 2003/48/EC of the Council of Ministers of 3 June 2003 on taxation of income in the form of interest payments subject to 35% withholding tax. The Sicav reserves the right to reject any request for shares if the conditions or information required by the Savings Directive and the Luxembourg Law of 21 June 2005 transposing the Savings Directive into law are not met or communicated.

The shareholder may also be subject to taxation in his country of residence under the laws and regulations applicable to him and with which he must comply. Potential investors are advised to check the tax obligations in force in their country of residence.

10.2.3 Foreign Account Tax Compliance Act, FATCA

In terms of this section, the expression "shareholder entered in the register" should be understood as referring to persons and bodies appearing as registered shareholders in the Sicav's register of shareholders, as kept by the Transfer Agent. The Sicav respects the stipulations of FATCA as well as the associated Luxembourg legislation and regulation in force and applies them. FATCA has been drawn up to minimise tax evasion on the part of US nationals.

Consequently the Sicav or its delegates may be obliged to do the following:

- Carry out due diligence for each shareholder in the register to determine their FATCA status and, if appropriate, request data (such as name, address, place of birth, date of incorporation, tax identification number, etc) or additional documents (such as the forms W8-BEN, W-8IMY, W-9, etc) for the said shareholders in the register. The Sicav shall be entitled to request the redemption of shares held by the shareholders in the register who do not provide the documents required within the deadlines stipulated or who do not comply with FATCA. The Sicav may choose, at its own discretion, to exclude from this certain shareholders in the register who do not hold more than USD 50,000 (in the case of natural persons) or USD 250,000 (in the case of legal persons).
- The Sicav may choose, at its own discretion, to exclude from this certain shareholders in the register who do not hold more than USD 50,000 (in the case of natural persons) or USD 250,000 (in the case of legal persons).
- Apply a withholding tax to certain payments made to certain persons by (or on behalf of) the Sicav. The withholding tax applied on the date of this Prospectus is 30%.

Investors should be reminded that there may be unfavourable fiscal consequences due to non-respect of FATCA by intermediaries such as (sub-)custodians, distributors, nominees, paying agents etc. over which the Sicav has no control. Investors not domiciled in Luxembourg for tax purposes or investors investing via non-Luxembourg intermediaries must also be aware that they may be subject to local FATCA stipulations which may be different to those given above. Investors are therefore encouraged to check with third parties if they intend to comply with FATCA.

11 GENERAL MEETINGS OF SHAREHOLDERS

The General Meeting of the shareholders takes place each year at the registered office of the SICAV in Luxembourg, on the first Thursday of June at 11.00 a.m. (Luxembourg time) (if this day is not a legal or bank business day in Luxembourg, the next business day).

Notice of all General Meetings will be sent to all registered shareholders at least eight days before the General Meeting. These notices will show the time and place of the General Meeting, the conditions of admission, the agenda and the requirements of the Luxembourg law as to quorum and necessary majority. Moreover, if bearer shares exist, notice will be published in the *Mémorial, Recueil Spécial des Sociétés et Associations* and in a Luxembourg newspaper. Requirements for convocations, attendance, quorum and voting at any General Meeting are those fixed by Articles 67, 67-1 and 70 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended.

The convocation to any General Meeting may specify that the quorum and majority applicable to this General Meeting shall be determined on the basis of the shares issued and in circulation at a given date and time prior to the General Meeting (**Registration Date**). The right of a Shareholder to attend a General Meeting and exercise the voting rights attached to the Shares shall be determined on the basis of the Shares held by this Shareholder on the Registration Date.

Resolutions taken by a General Meeting shall be binding on all the shareholders of the Sicav independently of the sub-fund in which they hold shares. In the event however that the decisions to be taken only bear on the specific rights of a sub-fund, such decisions shall be taken at a Meeting representing only the shareholders of the sub-fund in question. The requirements regarding such meetings are the same as those mentioned in the preceding paragraph.

12 FINANCIAL REPORTS

Reports for shareholders for the previous year, audited by the Approved Auditors, are available at the Sicav's head office. In addition, unaudited half-yearly reports are also available at the Sicav's registered office. The Sicav's financial year begins on 1 January and ends on 31 December of each year.

The Sicav's accounts will be expressed in EUR (the Sicav's consolidation currency). The accounts of the sub-funds stated in other currencies will be converted into EUR and added together for accounting for the Sicav.

13 FEES AND EXPENSES

Start-up costs, including fees for preparing and printing the prospectus and the KIID, notary fees, registration fees with administrative and stock exchange authorities, the cost of printing certificates and any other cost linked to the setting-up, promoting and launch of the Sicav will be paid by the Sicav and written off over five years.

The costs of setting up a new sub-fund will be written off over a period not exceeding five years on the assets of the sub-fund, in annual amounts to be determined by the Board of Directors on an equitable basis.

Management Company fee

As remuneration for the services described in section 2.3 above, the Management Company receives an annual fee of EUR 10,000.00 per sub-fund.

Management fee

As remuneration for the services described in section 2.4, above, the Manager receives at the end of each quarter from the Sicav a management fee at the maximum annual rates described in the corresponding appendix for each sub-fund and applied at the average value of the net assets of each sub-fund.

Custodian bank fees

As remuneration for the services described in section 2.2, above, the Custodian Bank receives from the Sicav an annual fee at the maximum rate of 0.055% per sub-fund subject to a minimum fee per sub-fund of EUR 6,200 applied on the basis of the value of the net assets of each sub-fund plus a fee set per operation. These fees are payable on a monthly basis and do not include transaction fees or sub-custodian or similar agents' fees, brokerage and related taxes. These fees are payable on a monthly basis and do not include transaction fees or sub-custodian or similar agents' fees, brokerage and related taxes.

Administrative, Registrar and Transfer Agent fee

An annual administrative fee will be paid to the Administrative Agent and the Registrar and the Transfer Agent on a monthly basis as remuneration for the services provided to the Sicav as described in more detail in the appendices to the sub-funds in Part II of the Prospectus.

Other fees

The Sicav pays all its operating, promotional, control and publication fees.

The Sicav may also take over marketing and advertising costs with the agreement of the Board of Directors.

The fees and expenses chargeable to a specific Class and/or Sub-fund will be directly allocated to it.

The other fees and expenses which are not directly attributable to a specific Class an/or Sub-fund will be charged in an equitable manner to the various Classes within the various Sub-funds and/or the various Sub-funds or, if the amount so requires, they will charged to the Classes and/or Sub-funds pro rata to their respective net assets.

Fees resulting from the Sicav investing in other UCI or UCITS

It should be noted that the investment policy of the Sicav's sub-funds is mainly to invest in the shares or units of UCITS and/or UCI and that this may cause a duplication of management fees. The total management fee which may be invoiced at one time to the Sicav itself and other UCITS and/or UCI in which the Sicav intends to invest shall not exceed 4%.

14 LIQUIDATION AND MERGER

14.1 Liquidation of the Sicav

The Sicav will be liquidated pursuant to the Law.

In the event of the capital of the Sicav falling below two-thirds of the minimum capital, the board members must submit the question of the dissolution of the Sicav to the General Meeting, which will deliberate without any requirement for minimum presence, and make its decision by a simple majority of shares represented at the meeting.

In the event of the capital of the Sicav falling below a quarter of the minimum capital, the board members must submit the question of the dissolution of the Sicav to the General Meeting, which will deliberate without any requirement for minimum presence; the liquidation may be decided by shareholders holding a quarter of the shares represented at the meeting.

The meeting must be convened in such a way that it is held within 40 days of the date on which it was observed that the net assets fell to less than two-thirds or one quarter respectively of the minimum capital. In addition, the Sicav may be dissolved by a decision of the General Meeting ruling according to the statutory provisions governing this matter.

The decisions of the General Meeting or of the court pronouncing the dissolution and liquidation of the Sicav are published in the Luxembourg official gazette (*Mémorial*) and in two sufficiently widely distributed newspapers, at least one of which should be a Luxembourg newspaper.

This publication will be undertaken by the liquidator(s). In the event of liquidation, each share entitles its holder to a pro rata share of the liquidation proceeds of the applicable sub-fund of assets. Once the liquidation process has been closed, any remaining liquidation proceeds which have not been distributed prior to such closure will be deposited with the Caisse des Consignations in Luxembourg to be held in Luxembourg for those entitled to them until the term of limitation expires.

14.2 Unconditional liquidation of a sub-fund in the Sicav

The Board of Directors may decide on the winding up of one or more sub-funds in the following cases:

- If the volume of net assets of the sub-fund means that it is no longer possible to effectively manage the related portfolio;
- if the economic and/or political situation change(s).

The liquidation decision must be published in a Luxembourg newspaper with a large circulation, in a newspaper with a large circulation in all of the countries in which the Sicav (sub-fund) is registered and in any other newspaper that the Board of Directors may decide, and will be sent to registered shareholders. In particular it must state the reasons for the liquidation and how it shall be carried out.

Unless otherwise decided by the Board, the investment fund may, until such time as the decision to liquidate is executed, continue to redeem or convert the shares of the sub-fund which it has been decided to liquidate. For the redemptions and conversions the Sicav must base itself on the new asset value determined in such a way as to take account of liquidation costs, as stipulated in this prospectus.

Capitalised formation expenses should be written off in full once the decision to liquidate has been taken.

The assets which have not been distributed to the beneficiaries by the date of the closure of the liquidation of the sub-fund will be held on deposit at the custodian bank for a period not exceeding six months from that date. After this date the assets will be deposited with the Caisse de Consignation for the benefit of those to whom they belong.

14.3 Incorporation of a sub-fund of the Sicav into another sub-fund of the Sicav or any other body as described below.

For the same reasons as given above in the case of a liquidation, the Board of Directors may decide to merge one sub-fund with another or to transfer the assets (and liabilities) of the sub-fund to another undertaking for collective investment under Luxembourg law subject to Part I of the Law. A merger with a foreign undertaking for collective investment is only possible with the agreement of all the shareholders of the sub-fund in question or on condition that only those shareholders in favour of the merger are transferred.

If the merger is with a mutual fund, this decision will only bind the shareholders who agreed to the merger.

The decision will be published on the Sicav's initiative. The publication will contain information on the new sub-fund or undertaking for collective investment in question and will be made one month before the merger to give shareholders the chance to request if necessary the fee-free redemption of their shares, as stipulated in the prospectus, before the merger becomes effective.

At the end of this period, the decision binds all shareholders who have not made use of this possibility.

The decision to merge a sub-fund in these circumstances and in the manner described in the preceding paragraphs may also be taken at a meeting of the shareholders of the sub-fund before being merged where no quorum is necessary and where the merger decision must be approved a simple majority of the shareholders expressed at the meeting.

15 AVAILABLE DOCUMENTS

Copies of the following documents can be examined during business hours on each business day in Luxembourg at the Sicav's registered office, 11, rue Aldringen, Luxembourg:

- the Articles of Association of the Sicav;
- the Management Agreement;
- the agreements relating to the Custodian Bank, Domiciliary Agent, Paying Agent, Registrar and Transfer Agent;
- the agreement in which the Sicav appoints Kredietrust Luxembourg S.A. as Management Company;
- the annual and half-yearly reports.
- distribution contracts;

PART II – THE SUB-FUNDS OF THE SICAV

1 KBL KEY FUND - EUROPE

1.1 Currency of the sub-fund

The benchmark currency of the sub-fund is EUR.

1.2 Investment objectives and policy

This sub-fund invests in particular through UCITS shares or units, in the stocks of issuers having their head office or carrying out a large part of their economic activity in countries of the European Union, with no restriction as to industrial or sectoral diversification. The sub-fund ensures that at least 2/3 of its total assets are invested in such stocks on a consolidated basis. The sub-fund may invest in other UCI in compliance with Article 41 (1) (e) of the Law of 17 December 2010 on undertakings for collective investment.

1.3 Typical investor profile and risk for this sub-fund

Dynamic investor whose objective is long-term capital growth through the potential economic growth of European securities. The risk level is higher than with other investments but the return prospects are very high over the long term. The fund of funds structure also gives better control of volatility on the equity markets.

This sub-fund offers a high level of risk and, consequently, an investment horizon of at least 5 to 7 years.

1.4 Shares

The share classes or categories available for this sub-fund are the following:

Class/Category	ISIN code	Investors	Min initial subscription	Min holding	Min subsequent subscription	Currency	Dividend policy
A Capitalisation (EUR)	LU0154454085	All	-	-	-	EUR	Capitalisation

Shares are registered and may also be held and transferred through clearing centres (Clearstream, Euroclear, ...).

1.5 Valuation Day

The net asset value and the issue, redemption and conversion price per share of the sub-fund are determined each business day in Luxembourg (Valuation Day) and are calculated on the second business day following day the Valuation Day (Calculation Day). The net asset value of the sub-fund is dated the Valuation Day. If a Calculation Day for the net asset value is a legal or bank holiday in Luxembourg, the Calculation Day will be the next bank business day.

The net asset value of the sub-fund is calculated in EUR.

1.6 Subscription and redemption

Subscription and redemption requests should arrive at the registered office of the Sicav at the latest at 5 p.m. (Luxembourg time) in Luxembourg on the bank business day in Luxembourg before the Valuation Day. They will be handled, if accepted, at the net asset value per share dated this Valuation Day. If these requests are received after 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

If these requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

The payment for the subscribed share price must be received by KBL European Private Bankers S.A. for the Sicav's account on the second bank business day in Luxembourg following the applicable Calculation Day. If this is not a working day in the currency of the category of shares subscribed, the applicable payment day is the next business day for this currency

The payment of the redeemed shares will be made on the second bank business day in Luxembourg after the applicable Calculation Day, provided that the share certificates have been delivered. If this is not a working day in the currency of the category of shares redeemed, the applicable payment day is the next working day for this currency.

1.7 Conversion

Share conversion requests for the sub-fund shall be accepted up to 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day in order to be executed at the net asset value of the Valuation Day.

Conversion requests into the sub-fund shall be accepted each Valuation Day up to 5 p.m. (Luxembourg time) to be executed at the net asset value of the sub-fund dated the next Valuation Day.

If these conversion requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

1.8 Manager

The Management Company itself.

1.9 Fees for subscriptions, redemptions and conversions

Subscription fee	Max. 5% for professional intermediaries
Redemption fee	Max. 0.5% for professional intermediaries
Conversion fee	Not applicable

1.10 Fees paid by the sub-fund

Administrative Agent fee	Max. 0.10% p.a. of the net assets of the sub-fund, payable monthly with an annual minimum of EUR 24,000.00 or 27,000.00 (depending on the stocks in the portfolio).
Registrar and Transfer Agent fee	EUR 3 000 plus a flat fee per transaction. These fees are calculated on the basis of the average value of the net assets of the sub-fund and payable monthly.
Management fee	Max. 1.15% Annual fee payable quarterly on the sub-fund's average net asset value over the quarter.

1.11 Past performance

The past performance of the sub-fund can be found in the KIID.

1.12 Global exposure limits

The Sub-fund has recourse to an approach by liabilities in order at all times to control and measure the risks associated with its investments and the contribution of the latter within the global risk profile of the portfolio of the Sub-fund.

2 KBL KEY FUND – GLOBAL EMERGING

2.1 Currency of the sub-fund

The benchmark currency of the sub-fund is USD.

2.2 Investment objectives and policy

This sub-fund invests in particular through shares or units in UCITS and/or other UCI (including ETF) in accordance with Article 41(1)(e) of the Law of 17 December 2010 on undertakings for collective investment, in the stocks of issuers having their head office or carrying out a large part of their economic activity in emerging market countries with no restriction as to industrial or sectoral diversification.

The sub-fund's assets will be allocated according to the manager's convictions on, among other things, market evolution, the economic environment, market opportunities and with no restrictions or limits as to geographic, industrial or sectoral diversification, nor to the management strategies of the UCITS and/or UCI in which the sub-fund invests.

The sub-fund may invest in units of UCITS with the following investment strategy: Frontier Markets, Emerging Markets, Emerging Markets Debt, cash or cash equivalent.

2.3 Typical investor profile and risk for this sub-fund

Dynamic investor whose objective is long-term capital growth through potential economic growth offered by the emerging economies and in particular major future economic, political and demographic powers like: Brazil, Russia, India and China, South Korea, Taiwan, South Africa, Turkey, Mexico, the Philippines, Indonesia... The investor must be aware that the risk level is greater than with other investments but that yield potential is very high over the long term.

In short, this investment offers a very high level of risk on the basis of an investment horizon of at least seven years.

2.4 Shares

The share classes or categories available for this sub-fund are the following:

Class/Category	ISIN code	Investors	Min initial subscription	Min holding	Min subsequent subscription	Currency	Dividend policy
A Capitalisation (USD)	LU0253447071	All	-	-	-	USD	Capitalisation
A Capitalisation (EUR)	LU0355603787	All	-	-	-	EUR	Capitalisation

Shares are registered and may also be held and transferred through clearing centres (Clearstream, Euroclear, ...).

2.5 Valuation Day

The net asset value and the issue, redemption and conversion price per share of the sub-fund are determined each business day in Luxembourg (Valuation Day) and are calculated on the second business day following day the Valuation Day (Calculation Day). The net asset value of the sub-fund is dated the Valuation Day. If a Calculation Day for the net asset value is a legal or bank holiday in Luxembourg, the Calculation Day will be the next bank business day.

The net asset value of the sub-fund is calculated in USD.

2.6 Subscription and redemption

Subscription and redemption requests should arrive at the registered office of the Sicav at the latest at 5 p.m. (Luxembourg time) in Luxembourg on the bank business day in Luxembourg before the Valuation Day. They will be handled, if accepted, at the net asset value per share dated this Valuation Day. If these requests are received after 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

If these requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

The payment for the subscribed share price must be received by KBL European Private Bankers S.A. for the Sicav's account on the second bank business day in Luxembourg following the applicable Calculation Day. If this is not a working day in the currency of the category of shares subscribed, the applicable payment day is the next business day for this currency

The payment of the redeemed shares will be made on the second bank business day in Luxembourg after the applicable Calculation Day, provided that the share certificates have been delivered. If this is not a working day in the currency of the category of shares redeemed, the applicable payment day is the next working day for this currency.

2.7 Conversion

Share conversion requests for the sub-fund shall be accepted up to 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day in order to be executed at the net asset value of the Valuation Day.

Conversion requests into the sub-fund shall be accepted each Valuation Day up to 5 p.m. (Luxembourg time) to be executed at the net asset value of the sub-fund dated the next Valuation Day.

If these conversion requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

2.8 Manager

The Management Company itself.

2.9 Fees for subscriptions, redemptions and conversions

Subscription fee	Max. 5% for professional intermediaries
Redemption fee	Max. 0.5% for professional intermediaries
Conversion fee	Not applicable

2.10 Fees paid by the sub-fund

Administrative Agent fee	Max. 0.10% p.a. of the net assets of the sub-fund, payable monthly with an annual minimum of EUR 24,000.00 or 27,000.00 (depending on the stocks in the portfolio).
Registrar and Transfer Agent fee	EUR 3 000 plus a flat fee per transaction. These fees are calculated on the basis of the average value of the net assets of the sub-fund and payable monthly.
Management fee	Max. 1.15% Annual fee payable quarterly on the sub-fund's average net asset value over the quarter.

2.11 Past performance

The past performance of the sub-fund can be found in the KIID.

2.12 Global exposure limits

The Sub-fund has recourse to an approach by liabilities in order at all times to control and measure the risks associated with its investments and the contribution of the latter within the global risk profile of the portfolio of the Sub-fund.

3 KBL KEY FUND - NATURAL RESOURCES EQUITIES

3.1 Currency of the sub-fund

The benchmark currency of the sub-fund is EUR.

3.2 Investment objectives and policy

This sub-fund invests mainly, in particular through UCITS shares or units, in stocks of issuers deriving most or a major part of their revenue from natural resources. The sub-fund will ensure that at least 2/3 of its total assets are invested in the shares or other securities and beneficial interests issued by companies active in natural resources on a consolidated basis. The term 'natural resources' is taken to mean utilities (metals, precious metals, oil and natural gas, water and alternative sources of energy). The sub-fund may invest in shares or units of other UCI in compliance with Article 41 (e) of the Law of 17 December 2010 on undertakings for collective investment.

3.3 Risk profile of the typical investor

Dynamic investor looking for long-term capital appreciation thanks to the strong growth potential of companies worldwide active in exploration, development, production and exploitation of natural resources. This growth will be sustained by strong demand from developing countries. The risk level is higher than with other investments but the return prospects are very high over the long term. The fund of funds structure also gives better control of volatility on the equity markets.

This sub-fund offers a high level of risk and, consequently, an investment horizon of at least 5 to 7 years.

3.4 Shares

The share classes or categories available for this sub-fund are the following:

Class/Category	ISIN code	Investors	Min initial subscription	Min holding	Min subsequent subscription	Currency	Dividend policy
A Capitalisation (EUR)	LU0266123651	All	-	-	-	EUR	Capitalisation
A Capitalisation (USD)	LU0266124113	All	-	-	-	USD	Capitalisation

Shares are registered and may also be held and transferred through clearing centres (Clearstream, Euroclear, ...).

3.5 Valuation Day

The net asset value and the issue, redemption and conversion price per share of the sub-fund are determined each business day in Luxembourg (Valuation Day) and are calculated on the second

business day following day the Valuation Day (Calculation Day). The net asset value of the sub-fund is dated the Valuation Day. If a Calculation Day for the net asset value is a legal or bank holiday in Luxembourg, the Calculation Day will be the next bank business day.

3.6 Subscription and redemption

Subscription and redemption requests should arrive at the registered office of the Sicav at the latest at 5 p.m. (Luxembourg time) in Luxembourg on the bank business day in Luxembourg before the Valuation Day. They will be handled, if accepted, at the net asset value per share dated this Valuation Day. If these requests are received after 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

If these requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

The payment for the subscribed share price must be received by KBL European Private Bankers S.A. for the Sicav's account on the second bank business day in Luxembourg following the applicable Calculation Day. If this is not a working day in the currency of the category of shares subscribed, the applicable payment day is the next business day for this currency

The payment of the redeemed shares will be made on the second bank business day in Luxembourg after the applicable Calculation Day, provided that the share certificates have been delivered. If this is not a working day in the currency of the category of shares redeemed, the applicable payment day is the next working day for this currency.

3.7 Conversion

Share conversion requests for the sub-fund shall be accepted up to 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day in order to be executed at the net asset value of the Valuation Day.

Conversion requests into the sub-fund shall be accepted each Valuation Day up to 5 p.m. (Luxembourg time) to be executed at the net asset value of the sub-fund dated the next Valuation Day.

If these conversion requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

3.8 Manager

The Management Company itself.

3.9 Fees for subscriptions, redemptions and conversions

Subscription fee	Max. 5% for professional intermediaries
Redemption fee	Max. 0.5% for professional intermediaries
Conversion fee	Not applicable

3.10 Fees paid by the sub-fund

Administrative Agent fee	Max. 0.10% p.a. of the net assets of the sub-fund, payable monthly with an annual minimum of EUR 24,000.00 or 27,000.00 (depending on the stocks in the portfolio).
Registrar and Transfer Agent fee	EUR 3 000 plus a flat fee per transaction. These fees are calculated on the basis of the average value of the net assets of the sub-fund and payable monthly.
Management fee	Max. 1.15% Annual fee payable quarterly on the sub-fund's average net asset value over the quarter.

3.11 Past performance

The past performance of the sub-fund can be found in the KIID.

3.12 Global exposure limits

The Sub-fund has recourse to an approach by liabilities in order at all times to control and measure the risks associated with its investments and the contribution of the latter within the global risk profile of the portfolio of the Sub-fund.

4 KBL KEY FUND - NORTH AMERICA

4.1 Currency of the sub-fund

The benchmark currency of the sub-fund is USD.

4.2 Investment objectives and policy

This sub-fund invests in particular through UCITS shares or units, in the stocks of issuers having their head office or carrying out a large part of their economic activity in the USA with no restriction as to industrial or sectoral diversification. The sub-fund ensures that at least 2/3 of its total assets are invested in the stocks of issuers having their head office or carrying out a large part of their economic activity in the USA on a consolidated basis. The sub-fund may invest in shares or units of other UCI in compliance with Article 41 (e) of the Law of 17 December 2010 on undertakings for collective investment.

4.3 Risk profile of the typical investor

Dynamic investor whose objective is long-term capital growth through the potential economic growth of US securities. The risk level is higher than with other investments but the return prospects are very high over the long term. The fund of funds structure also gives better control of volatility on the equity markets.

This sub-fund offers a high level of risk and, consequently, an investment horizon of at least 5 to 7 years.

4.4 Shares

The share classes or categories available for this sub-fund are the following:

Class/Category	ISIN code	Investors	Min initial subscription	Min holding	Min subsequent subscription	Currency	Dividend policy
A Capitalisation (H in EUR)	LU0266124469	All	-	-	-	EUR	Capitalisation
A Capitalisation (H in USD)	LU0266125193	All	-	-	-	USD	Capitalisation

Shares are registered and may also be held and transferred through clearing centres (Clearstream, Euroclear, ...).

4.5 Valuation Day

The net asset value and the issue, redemption and conversion price per share of the sub-fund are determined each business day in Luxembourg (Valuation Day) and are calculated on the second business day following day the Valuation Day (Calculation Day). The net asset value of the sub-fund is

dated the Valuation Day. If a Calculation Day for the net asset value is a legal or bank holiday in Luxembourg, the Calculation Day will be the next bank business day.

4.6 Subscription and redemption

Subscription and redemption requests should arrive at the registered office of the Sicav at the latest at 5 p.m. (Luxembourg time) in Luxembourg on the bank business day in Luxembourg before the Valuation Day. They will be handled, if accepted, at the net asset value per share dated this Valuation Day. If these requests are received after 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

If these requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

The payment for the subscribed share price must be received by KBL European Private Bankers S.A. for the Sicav's account on the second bank business day in Luxembourg following the applicable Calculation Day. If this is not a working day in the currency of the category of shares subscribed, the applicable payment day is the next business day for this currency

The payment of the redeemed shares will be made on the second bank business day in Luxembourg after the applicable Calculation Day, provided that the share certificates have been delivered. If this is not a working day in the currency of the category of shares redeemed, the applicable payment day is the next working day for this currency.

4.7 Conversion

Share conversion requests for the sub-fund shall be accepted up to 5 p.m. (Luxembourg time) on the bank business day in Luxembourg preceding the Valuation Day in order to be executed at the net asset value of the Valuation Day.

Conversion requests into the sub-fund shall be accepted each Valuation Day up to 5 p.m. (Luxembourg time) to be executed at the net asset value of the sub-fund dated the next Valuation Day.

If these conversion requests are received on a legal or bank holiday in Luxembourg, they are automatically carried over and handled at the net asset value per share dated the next Valuation Day.

4.8 Manager

The Management Company itself.

4.9 Fees for subscriptions, redemptions and conversions

Subscription fee	Max. 5% for professional intermediaries
Redemption fee	Max. 0.5% for professional intermediaries
Conversion fee	Not applicable

4.10 Fees paid by the sub-fund

Administrative Agent fee	Max. 0.10% p.a. of the net assets of the sub-fund, payable monthly with an annual minimum of EUR 24,000.00 or 27,000.00 (depending on the stocks in the portfolio).
Registrar and Transfer Agent fee	EUR 3 000 plus a flat fee per transaction. These fees are calculated on the basis of the average value of the net assets of the sub-fund and payable monthly.
Management fee	Max. 1.15% Annual fee payable quarterly on the sub-fund's average net asset value over the quarter.

4.11 Past performance

The past performance of the sub-fund can be found in the KIID.

4.12 Global exposure limits

The Sub-fund has recourse to an approach by liabilities in order at all times to control and measure the risks associated with its investments and the contribution of the latter within the global risk profile of the portfolio of the Sub-fund.