

# 2Xideas UCITS

An Undertaking for Collective Investment in Transferable Securities (UCITS)  
subject to the Luxembourg Law of 17 December 2010, as amended,  
in the Form of an Open-ended Investment Company with Variable Share Capital  
(*Société d'investissement à capital variable, SICAV*)

## Prospectus

1<sup>st</sup> July 2024

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## 1. INTRODUCTION

This Prospectus contains information about 2Xideas UCITS (the “Company”) that a prospective investor should consider before investing in the Company and should be retained for future reference.

The Company is a public limited company (*société anonyme*) incorporated on 19 February 2018 under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Company is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Company has been authorized by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial sector.

The Company is a single legal entity incorporated as an umbrella fund structure comprised of one or several separate Sub-Funds. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. Shares in the Company are shares in a Share Class of a specific Sub-Fund. Such Share Classes each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Company is registered with the Luxembourg Trade and Companies Register under number B222176. The latest version of the Articles of Association was published on the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand Duchy of Luxembourg on 6 February 2023, with effect as of 1<sup>st</sup> January 2023.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check on website [www.fundpublications.com](http://www.fundpublications.com) that this is the most recently published prospectus. Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Company, copies of which may be requested free of charge at the registered office of the Company or obtained on website [www.fundpublications.com](http://www.fundpublications.com).

No distributor, agent, salesman or other person has been authorized to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorized.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons (as defined in section 7.10). **In particular, the Board of Directors has decided that any U.S. Person will be considered as Prohibited Person.**

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Prospectus, the English version shall prevail.

The Company must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in Luxembourg require the Company or its agent to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Company.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE COMPANY INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

**2. DIRECTORY**

**Registered Office of the Company**

2Xideas UCITS  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

**Board of Directors of the Company**

Adrian Kunz (Chairman)  
Head of Fund Operations  
2Xideas Switzerland AG, Switzerland

Dr. Ion Florescu  
Managing Partner  
FinDeal Advisers S.A., Luxembourg

Yves de Vos  
Independent Director, Luxembourg

**Management Company**

Global Funds Management S.A.  
Bâtiment A, 33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

**Board of Directors of the Management Company**

Mr. Mario Koster (Chairman)  
Independent Director

Mr. Kristian Gesinski  
Director and Conducting Officer  
Global Funds Management S.A.

Mr. Takayuki Nakano  
Executive Director, Product Development and  
Planning Department, Nomura Securities Co., Ltd.

**Conducting Officers of the Management Company**

Mr. Kristian Gesinski  
Mr. Jean-Yves Francois  
Mr. Christophe Bogaert

**Investment Manager**

2Xideas AG  
Bahnhofstrasse 1  
CH-8808 Pfäffikon  
Switzerland

**Depository**

Northern Trust Global Services SE  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

**Administrator, Registrar and Transfer Agent,  
Paying Agent and Domiciliation Services Agent**

Northern Trust Global Services SE  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

**Global Distributor**

ACOLIN Europe AG  
Reichenaustrasse 11 a-c  
D-78467 Konstanz  
Germany

**Auditor**

PwC Luxembourg S.C.  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

**3. DEFINITIONS**

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Administration Agreement	the agreement entered into between the Company, the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer, domiciliation services and corporate agent appointed by the Management Company with the consent of the Company in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory.
All-in Fee	is defined in section 9.1 (All-in Fee).
Anti-Dilution Levy	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Annual Report	the report issued by the Company as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Company, as may be amended from time to time.
Benchmark	means a benchmark within the meaning of Article 3(1)(3) of the Benchmark Regulation, defined for each Sub-Fund in the respective Supplement, if applicable.
Benchmark Administrator	means the administrator that has control over the provision of the relevant Benchmark in line with Article 3(1)(6) of the Benchmark Regulation.
Benchmark Regulation	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time.
Board of Directors	the board of directors of the Company.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg and in such other countries or cities as may be specified for a Sub-Fund or Share Class in a Supplement.
Accumulation Shares	Shares with respect to which a Sub-Fund does not intend to distribute dividends.
Company	2Xideas UCITS
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which a Sub-Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Anti-Dilution Levy applicable to the New Shares and the Anti-Dilution Levy paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable. The Company charges no Conversion Fee on conversions of Shares of the same Sub-Fund.
Conversion Form	the forms and other documents, as issued or accepted by the Company from time to time, which the Company requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Company or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares. The term "Conversion Form" shall be deemed to include conversion applications placed on electronic or other online trading platforms authorized by the Company for such purposes.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law of 24 December 2015 on the Common Reporting Standard.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
Currency Hedged Share Classes	Share Classes for which a currency hedging strategy is implemented, as further described in the Prospectus. Currency Hedged Share Classes are identified in the Supplements.

Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Company or its agents in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund in the Supplement.
Depository	the depository bank appointed by the Company in accordance with the provisions of the 2010 Law and the Depository Agreement, as identified in the Directory.
Depository Agreement	the agreement entered into between the Company, the Management Company and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2009/65/EC or the UCITS Directive	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) (recast), as may be amended from time to time.
Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
Directive 2014/65/EU	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as may be amended from time to time.
Directive (EU) 2015/849	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, as may be amended from time to time.
Distribution Shares	Shares with respect to which a Sub-Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Sub-Fund.
Distributor	a regulated financial intermediary appointed by the Global Distributor to distribute the Shares.
Eligible Investor	an investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
FATCA Law	the Luxembourg law of 24 July 2015 relating to FATCA, as may be amended from time to time.
Global Distributor	the global distributor appointed by the Management Company with the consent of the Company in accordance with the provisions of the 2010 Law and the Global Distributor Agreement, as identified in the Directory.
Global Distribution Agreement	the agreement entered into between the Company, the Management Company and the Global Distributor governing the appointment of the Global Distributor, as may be amended or supplemented from time to time.
Initial Offer Period	the first period during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer Period.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
IGA	the Intergovernmental Agreement (IGA) of 28 March 2014 between the United States of America and the Government of the Grand Duchy of Luxembourg to Improve International Tax Compliance.
Investment Management Agreement	the agreement entered into between the Company, the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company with the consent of the Company in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.

Management Company	the management company appointed by the Company in accordance with the provisions of the 2010 Law and the Management Company Agreement, as identified in the Directory.
Management Company Agreement	the agreement entered into between the Company and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Company, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Non-Member State	any State, other than a Member State.
Nominee	A credit institution or other financial institution acting on behalf of an Investor or another financial institution. Nominees are required to qualify as (i) Reporting FFI, (ii) Nonreporting IGA FFI, (iii) Participating FFI, (iv) Registered Deemed Compliant FFI, (v) Non-registering Local Bank or (vi) Restricted Distributor all as defined in the relevant U.S. Treasury Regulations, the IGA or the FATCA Law, respectively.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the Administrator, Registrar and Transfer Agent, as identified in the Directory.
Performance Fee	the fee which may be payable to the Investment Manager depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 9.4 (Performance Fee) of this Prospectus.
Principal Adverse Impacts	negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by the legal entity.
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Company at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Redemption Form	the forms and other documents, as issued or accepted by the Company from time to time, which the Company requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Company or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares. The term "Redemption Form" shall be deemed to include redemption applications placed on electronic or other online trading platforms authorized by the Company for such purposes.
Redemption Price	the price at which the Company may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Company will normally pay the Redemption Price (less any Anti-Dilution Levy) to redeeming investors, subject to the provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Company, the USD, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of Directive 2014/65/EU.
Semi-Annual Report	the report issued by the Company as of the first half of the current financial year in accordance with the 2010 Law.
SFDR	means EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.



Share Class	a class of Shares of a Sub-Fund as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shares	shares of a Share Class of a Sub-Fund issued by the Company.
Sub-Fund	a sub-fund of the Company, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Form	the forms and other documents, as issued or accepted by the Company from time to time, which the Company requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Company or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares. The term "Subscription Form" shall be deemed to include subscription applications placed on electronic or other online trading platforms authorized by the Company for such purposes.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Anti-Dilution Levy) to a Sub-Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Factors	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability Risk	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each Sub-Fund.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
Taxonomy Regulation	means EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities.
U.S.	the United States (U.S.) of America.
U.S. Person	any person who: (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder; (ii) is a U.S. person within the meaning of Regulation S under the U.S. Securities Act of 1933 (17 CFR § 230.902(k)); (iii) is not a Non-United States person within the meaning of Rule 4.7 of the U.S. Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv)); (iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended; (v) is a United States Person as defined in Article 1, Section 1 (ee) of the IGA and the FATCA Law (as identified in the Directory); or (vi) any trust, entity or other structure formed for the purpose of allowing U.S. Persons to invest in the Company, unless otherwise defined in this Prospectus with reference to specific rules or regulations.
Valuation Day	each Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

#### 4. INVESTMENT STRATEGY AND RESTRICTIONS

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section.

##### 4.1 Authorized investments

4.1.1 The investments of each Sub-Fund must comprise only one or more of the following:

- (A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (B) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognized and open to the public.
- (C) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognized and open to the public.
- (D) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.
- (E) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
  - (1) such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (2) the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for shareholders or unitholders in a UCITS, and in particular, the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (3) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - (4) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive documents, be invested in aggregate in shares or units of other UCITS or other UCI.
- (F) Deposits with credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (G) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:

- (1) the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;
  - (2) the counterparties to OTC derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - (3) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Company.
- (H) Money Market Instruments other than those dealt in on a Regulated Market or on another regulated market referred to in paragraphs (A) to (C) of this section, provided that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
- (1) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
  - (2) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section;
  - (3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (4) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that set out in paragraphs (H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 4.1.2 Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (A) to (D) and (H) of section 4.1.1.
- 4.1.3 Each Sub-Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets in order to cover current or exceptional payments or in case of unfavorable market conditions in accordance with the limits subscribed under applicable law. The aforementioned limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require and where such breach is justified having regard to the interests of the shareholders. Each Sub-Fund may exceptionally and temporarily hold liquid assets on a principal basis if the Board of Directors considers this to be in the best interest of its investors.
- 4.1.4 Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may

also acquire foreign currency by means of a back-to-back loan.

- 4.1.5 The Company may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.

**4.2 Prohibited investments**

- 4.2.1 The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.
- 4.2.2 Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.
- 4.2.3 The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI, or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up.
- 4.2.4 The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

**4.3 Risk diversification limits**

- 4.3.1 If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of these risk diversification limits.
- 4.3.2 No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (A) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
  - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3 The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 25% in respect of qualifying debt securities which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for qualifying debt securities that were issued by a credit institution before 8 July 2022 which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities ("Covered Bonds"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, the total value of such investments may

not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

- 4.3.4 The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).
- 4.3.5 **Notwithstanding the limits set out above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.**
- 4.3.6 The counterparty risk exposure arising from OTC financial derivative instruments undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.
- 4.3.7 Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.
- 4.3.8 Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:
- (A) investments in Transferable Securities or Money Market Instruments issued by that body;
  - (B) bank deposits made with that body; and
  - (C) counterparty exposure arising from OTC financial derivative instruments undertaken with that body.
- 4.3.9 The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.
- 4.3.10 For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognized international accounting rules.
- 4.3.11 Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognized by the CSSF.
- 4.3.12 The limit of 20% set out in the preceding section is raised to 35% where that proves to be justified by exceptional market

conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

- 4.3.13 A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.11 and 4.3.12, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.
- 4.3.14 Unless otherwise specified in its Supplement, no Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. If otherwise specified in its Supplement, the following limits will apply:
- (A) investments made in shares or units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
- (B) investments made in shares or units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.
- 4.3.15 The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.
- 4.3.16 If a Sub-Fund invests in shares or units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of such UCITS or other UCI.
- 4.3.17 If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Company will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.
- 4.3.18 During the first six (6) months following its authorisation, a new Sub-Fund may derogate from the limits set out in this section 4.3 (Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

#### 4.4 Control limits

- 4.4.1 The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 4.4.2 No Sub-Fund may acquire more than:
- (A) 10% of the non-voting shares of the same issuer;
- (B) 10% of the debt securities of the same issuer;
- (C) 10% of the Money Market Instruments of any single issuer; or
- (D) 25% of the shares or units of the same UCITS or other UCI.
- 4.4.3 The limits set out in section 4.4.2, paragraphs (B) to (D) may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.
- 4.4.4 The limits set out in sections 4.4.1 to 4.4.2 do not apply in respect of:
- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (D) shares in the capital of a company which is incorporated under or organized pursuant to the laws of a non-Member State, provided that:
- (1) such company invests its assets principally in securities issued by issuers having their registered office in that State;
- (2) pursuant to the laws of that State, a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and
- (3) such company observes in its investment policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.2;
- (E) shares held by the Company in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

#### 4.5 Financial derivative instruments

##### 4.5.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this chapter 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (F) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

- (G) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (H) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

The global exposure of a Sub-Fund to financial derivative instruments may not exceed the Net Asset Value of the Sub-Fund, as further described in section 4.8 (Global exposure limits) below.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification limits) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices as described in section 4.5.3, the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this chapter 4 applicable to financial derivative instruments.

#### 4.5.2 OTC financial derivative instruments

Each Sub-Fund may invest into financial derivative instruments that are traded over-the-counter (OTC) including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in this chapter 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The counterparties must be credit institutions from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum rating of BBB. The identity of the counterparties will be disclosed in the Annual Report.

The Administrator uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below.

#### 4.5.3 Derivatives referencing financial indices

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorized investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where

justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

#### 4.6 Efficient portfolio management techniques

The Company will not employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, or any total return swaps for the purposes of efficient portfolio management. This Prospectus will be amended accordingly in compliance with Regulation (EU) 2015/2365 if the Company intends to make use of such techniques and instruments on behalf of a Sub-Fund.

#### 4.7 Collateral policy

This section sets out the policy adopted by the Company with the consent of the Management Company for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments. Any securities received by a sub-fund as collateral will be safe-kept with the Depositary, including via its sub-custodians.

##### 4.7.1 Eligible collateral

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (A) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to the pre-sale valuation;
- (B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (D) collateral should be sufficiently diversified in terms of countries, markets and issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the net assets of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the net assets of the Sub-Fund;
- (E) where there is a title transfer, collateral received in the form of securities should be held (safe-kept) by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral; cash may be held in a cash account with the Depositary or another bank or credit institution, subject to the conditions of the 2010 Law. For other types of collateral arrangement (e.g. a pledge), collateral can be held by a third-party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;

- (F) collateral should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty; and
- (G) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

Subject to the above conditions, permitted forms of collateral include:

- (A) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (B) bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope; and
- (C) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

**4.7.2 Level of collateral**

The level of collateral required for OTC financial derivatives transactions will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus.

**4.7.3 Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Management Company or an appointed collateral manager. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

The following table lists the type of assets that may be held as collateral and the applicable discount rates. The Company may, on a case by case basis, apply different haircuts and/or amend the following haircuts at any time and at its sole discretion:

- 1. Eligible Assets/haircuts applicable to collateral for OTC derivatives are the following:

<b>Asset classes eligible for collateral</b>	<b>Minimum Haircut (% deducted from the market value)</b>
Cash	0%
Shares	15%
Bonds, notes and Money market paper	From 2% to 10% depending on the maturity
Investment fund units	5%

**4.7.4 Stress tests**

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation: (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

**4.7.5 Reinvestment of collateral**

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

- (A) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (B) invested in high-quality government bonds; and/or
- (C) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section 5 (General risk factors) below.

**4.7.6 Centrally cleared OTC derivatives**

The Company may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Company and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Company and the central counterparty. For these trades, the Company will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Company will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.5.1 (OTC financial derivative instruments) below.

**4.8 Global exposure limits**

**4.8.1 General**

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of a Sub-Fund.

The global exposure of a Sub-Fund to financial derivative instruments may not exceed the Net Asset Value of the Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or “VaR” approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund’s portfolio (where the Sub-Fund uses the VaR approach). The method used by each Sub-Fund to calculate global exposure is mentioned in its Supplement.

**4.8.2 Commitment approach**

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

**4.8.3 VaR approach**

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of

20 days. The exposure of the Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company and the Board of Directors will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is generally appropriate for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

#### 4.9 Leverage

Unless otherwise indicated in its Supplement, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Investment Manager in accordance with the investment objective and policy of each Sub-Fund and its defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in section 5 (General risk factors) below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the Sub-Fund. For each Sub-Fund using the VaR approach to calculate and monitor its global exposure, the expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed in the Supplement.

The above methodology based on the “sum of notionals” is mandatory under applicable laws and regulations. It does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging. Similarly, this methodology does not allow for the netting of derivative positions and does not make any distinction between short term and long-term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

In order to take into account the specific use of financial derivative instruments and their contribution to the risks of the Sub-Fund, the expected level of leverage disclosed in the Supplement, based on the “sum of notionals” methodology, may be completed with the expected leverage figures calculated on the basis of the commitment approach, as described above, which takes into account hedging and netting arrangements, or with other additional explanations.

#### 4.10 Breach of investment limits

The Sub-Funds need not comply with the limits set out above in this chapter 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this chapter 4 are exceeded for reasons beyond the control of the Company and its Sub-Funds or as a result of the exercise of subscription rights, the Company and its Sub-Funds must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.

## 5. GENERAL RISK FACTORS

The performance of the Shares depends on the performance of the investments of the respective Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. The Shares do not include any element of capital protection and the Company gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Company, investment objectives may become more difficult or even impossible to achieve. The Company gives no assurance or guarantee to any investors as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Company.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the respective Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

### 5.1 Market risk

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

#### 5.1.1 Economic risk

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from it.

#### 5.1.2 Interest rate risk

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments

generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

#### 5.1.3 Foreign exchange risk

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency Hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

#### 5.1.4 Credit risk

Sub-Funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

#### 5.1.5 Volatility

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

#### 5.1.6 Leverage

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement, if applicable. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets.

#### 5.1.7 Short positions

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-Fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

#### 5.1.8 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

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

### 5.2 Liquidity risk

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter (OTC), which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

### 5.3 Counterparty risk

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can



be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, as further described below.

### 5.4 Operational risk

Operational risk means the risk of loss for the Company resulting from inadequate internal processes and failures in relation to people and systems of the Company, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Company.

#### 5.4.1 Valuation

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

#### 5.4.2 Performance fee

If the Investment Manager is entitled to receive a performance fee, as further set out in the Supplement of each Sub-Fund, this fee may create an incentive for the Investment Manager to cause the respective Sub-Fund to make investments that are riskier or more speculative than would be the case if no performance fee was applicable. Because the performance fee is calculated on a basis that includes unrealized gains (which subsequently may never be realized), the performance fee may be greater than if it were based solely on realized gains. The performance fee cannot be refunded if the net asset value falls again after deduction of the performance fee.

#### 5.4.3 Laws and regulations

The Company may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

#### 5.4.4 Tax risks

Prospective investors should be aware that tax laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent nor transparent. Accounting standards may also change, creating an obligation for the respective Sub-Fund to accrue for a potential tax liability that was not previously required to be accrued or in situations where the Sub-Fund does not expect to be ultimately subject to such tax liability.

The regular income of the Company from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable for withholding taxes at varying rates, which normally cannot be recovered.

#### 5.4.5 FATCA

Although the Company will attempt to satisfy any obligation imposed on it to maintain its FATCA status of Restricted Fund under the

FATCA Law, and more generally to avoid imposition of FATCA withholding tax and penalties, no assurance can be given that the Company will be able to satisfy these obligations.

Therefore, and in case of a breach of its Non-Reporting FI status, the Company may become a Reporting FI and may be required to disclose the name, address and taxpayer identification number (if available) of its shareholders as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities under the terms of the FATCA Law for the purposes set out in the FATCA Law. Such information will be onward reported by the Luxembourg tax authorities to the Internal Revenue Service (IRS).

Failure to provide the requested information will result in a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses.

#### 5.4.6 Segregation of Sub-Funds

The Company is a single legal entity incorporated as an umbrella fund structure comprised of one or several separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Company arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognize the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

### 5.5 Certain financial instruments

#### 5.5.1 OTC financial derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organized exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognized exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognized exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Sub-Fund.

The Company may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the respective Sub-Fund. There is a risk of loss by a Sub-

Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Sub-Fund has an open position or if margin is not identified and correctly report to the particular Sub-Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Company may not be able to transfer or “port” its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Company. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalized by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Company, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Company has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

### 5.5.2 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in

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

### 5.6 Risks associated with investments in emerging markets

Sub-Funds may invest in both developed and emerging market countries according to the investment policy described in the relevant Supplement. Emerging markets are at an earlier stage of development and suffer from higher risks of expropriation and nationalisation, as well as social, political and economic instability.

The following is an overview of the general risks associated with investing in emerging markets:

- Counterfeit securities – due to inadequate supervisory structures, it is possible that securities purchased by the relevant Sub-Fund could be counterfeit. It is therefore possible to suffer losses.
- Illiquidity – the buying and selling of securities can be costlier, more time-consuming and generally more difficult than on more developed markets. Difficulties with illiquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility.
- Volatility – investments in emerging markets may post more volatile performances than those in developed markets.
- Currency fluctuations – compared to the relevant Sub-Fund’s reference currency, the currencies of countries in which the relevant Sub-Fund invests may be subject to substantial fluctuations after the Sub-Fund has invested in these currencies.
- Such fluctuations may have a significant impact on the relevant Sub-Fund’s income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.
- Currency export restrictions – it cannot be ruled out that emerging markets may limit or temporarily suspend the export of currencies. Consequently, it would not be possible for the relevant Sub-Fund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, the relevant Sub-Fund will invest in a large number of markets.
- Settlement and custody risks – the settlement and custody systems in emerging market countries are less well developed than those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities.
- Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the purchase of securities by foreign investors. Some equities are thus not available to the relevant Sub-Fund because the maximum number allowed to be held by foreign shareholders has been exceeded. In addition, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should the relevant Sub-Fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the relevant authorities or to counter the negative impact of this restriction through its investments in other markets. The relevant Sub-Fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.

The accounting, auditing and reporting standards, methods, practices and disclosures required of companies in emerging markets differ from those in developed markets in terms of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options.

### 5.7 Sustainability Risk

Sustainability Risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each Sub-Fund. Such Sustainability Risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to society's response to climate change (i.e. transition risks), which may result in unanticipated losses that could affect each Sub-Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, product quality and safety, selling practices, etc.) may also translate into Sustainability Risks. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

### 5.8 ESG Disclosure risk

Any decisions taken by the Investment Manager regarding the classification and the applicable disclosure requirements under the SFDR and the Taxonomy Regulation are based on a good faith assessment by it and based on information available to it and market practice at the time any such decision is made.

The requirements of SFDR, and in particular the boundaries between the different categories under SFDR are not free from doubt and may change over time and, therefore, adjustments to the Sub-Funds' classification may be made owing to these uncertainties. Additionally, the investment process supporting the Sub-Funds' investment strategy requires data from third party sources regarding environmental, social and governance ("ESG") matters. Changes to SFDR or the ability of data providers to supply that data may also result in changes to the Sub-Funds' classification. There is, therefore, a risk that the Sub-Funds' classification under SFDR may change in the future. Should the classification of a Sub-Fund change, this may result in the Company having to amend the SFDR and Taxonomy Regulation disclosures in relation to this Sub-Fund.

Investors should be aware that SFDR and the Taxonomy Regulation are:

- part of a disclosure regime and should not be relied on as a product labelling regime or as imposing additional obligations other than disclosure requirements in relation to ESG matters; and
- subject to ongoing uncertainties and evolution in material regards as underlying rules and guidance is finalized, or is issued, over time.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 Board of Directors

The members of the Board of Directors will be elected by the general meeting of shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Company and to take any actions necessary or useful to fulfil the Company's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Company in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Company, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Company.

For the current composition of the Board of Directors, please refer to the Directory.

### 6.2 Management Company

The Company has appointed the Management Company as its UCITS management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

The Management Company is a *société anonyme* incorporated under the laws of Luxembourg on 12 July 1991. The Management Company is authorized and regulated by the *Commission de Surveillance du Secteur Financier* in Luxembourg under Luxembourg law. Its main business activity is to provide collective portfolio management services and perform the functions of a UCITS management company and an alternative investment fund manager in accordance with Luxembourg law.

The relationship between the Company and the Management Company is subject to the terms of the Management Company Agreement. Under the terms of the Management Company Agreement, the Management Company is responsible for the investment management and administration of the Company as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Company. The Management Company has authority to act on behalf of the Company within its function.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Company from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

The Management Company Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Company will not be affected by any delegation of functions by the Management Company.

The Management Company may provide ancillary services to the Company such as collateral management in respect of OTC Derivatives entered into by the Company. For the provision of such ancillary services, the Company may be required to pay to the Management Company fees that are distinct and supplemental to the fees paid in relation to the Management Company services described in the previous paragraphs.

### 6.3 Investment Manager

With the consent of the Company, the Management Company has appointed 2Xideas AG as Investment Manager for the Company pursuant to the Investment Management Agreement.

2Xideas AG is an *Aktiengesellschaft* incorporated under the laws of Switzerland on 8 January 2013. The Investment Manager is authorized for the purpose of asset management and regulated by the Swiss Financial Market Supervisory Authority FINMA in Switzerland under Swiss law. Its main business activity is asset management and independent research focused on liquid public equity securities.

The relationship between the Company, the Management Company and the Investment Manager is subject to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and, ultimately, the Board of Directors, to manage the assets of each Sub-Fund on a discretionary basis, in accordance with the investment objective and policy of the Sub-Fund and any additional investment restrictions or guidelines imposed by the Board of Directors. Within this function, the Investment Manager has authority to act on behalf of the Company and any Sub-Fund.

The Investment Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Investment Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Investment Management Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the best interest of the shareholders.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability and indemnifying the Investment Manager in certain circumstances. In particular, the Investment Manager will not be responsible for any loss of assets and investments of the Company, except to the extent that such loss is due to the Investment Manager's gross negligence, wilful default or fraud or that of any of its directors, officers, employees or agents. The liability of the Investment Manager towards the Management Company and the Company will not be affected by any delegation of functions by the Investment Manager.

The Investment Manager is the initiator of the Company and also acts as Distributor in Switzerland.

#### **6.4 Depositary**

The Company has appointed Northern Trust Global Services SE as its Depositary within the meaning of the 2010 Law pursuant to the Depositary Agreement.

The Depositary is a credit institution constituted as European company (*Societas Europaea*), authorized in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF and registered with the Luxembourg Trade and Companies' Register under number B232281. Its registered office is at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg.

The relationship between the Company and the Depositary is subject to the terms of the Depositary Agreement. Pursuant to the Depositary Agreement, the Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the 2010 Law and the Depositary Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.

In addition, the Depositary shall also ensure that (i) the procedures regarding the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles of Association, (ii) appropriate and consistent procedures are established and applied for the valuation of the assets of the Company in compliance with Luxembourg law, the Prospectus and the Articles of Association, (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of Association, (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and (v) the Company's incomes are applied in accordance with Luxembourg law, the Prospectus and the Articles of Association.

In compliance with the provisions of the Depositary Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Company to one or more sub-custodian(s), as they are appointed by the Depositary from time to time. The Depositary does not allow its sub-custodians to make use of sub-delegates which have not been approved by the Depositary in advance.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis, the Depositary shall assess potential conflicts

of interests that may arise from the delegation of safekeeping functions. The Depositary has delegated custody services to either an affiliate company or third-party sub-custodians in certain eligible markets in which the Company may invest, listed on [www.atlas-marketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlas-marketinteractive.com/GlobalMarketsandSubcustodiansListing).

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Company and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third-party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians utilising identical standard questionnaires and checklists allowing it to manage any conflicts of interests that may potentially arise.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates listed on [www.atlas-marketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlas-marketinteractive.com/GlobalMarketsandSubcustodiansListing).

If however a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Bank Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

The Depositary is liable to the Company or its shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the 2010 Law and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the "Company Custodial Assets") by the Depositary and/or a sub-custodian (the "Loss of a Company Custodial Asset").

In case of Loss of a Company Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the 2010 Law, the Depositary will not be liable for the Loss of a Company Custodial Asset, if such Loss of a Company Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Company and to the shareholders for all direct losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and the Depositary Agreement.

The Depositary may provide ancillary services to the Company such as collateral management services in respect of OTC Derivatives entered into by the Company. For the provision of such ancillary services, the Company may be required to pay to the Depositary fees that are distinct and supplemental to the fees paid in relation to the Depositary services described in the previous paragraphs. The Depositary may also act as counterparty to the Company in relation to foreign exchange transactions including FX OTC Derivatives transactions. Such activity would also give rise to a remuneration distinct from the fees related to other services provided by the Depositary.

The Depositary Agreement has no fixed term and either party may terminate the Depositary Agreement by serving on the other party a thirty (30) calendar day termination notice. Upon expiry of such thirty (30) calendar day notice period commences a sixty (60) calendar day replacement period within which the Company must complete the appointment of a successor depositary. The Depositary Agreement contains provisions exempting the Depositary from liability and indemnifying the Depositary in certain circumstances. The liability of the Depositary for the safe-keeping of the Company's and its Sub-Funds' assets will not be affected by the fact that it has entrusted all or part of the custody of the assets to a third party.

#### 6.5 Administrator

With the consent of the Company, the Management Company has appointed Northern Trust Global Services SE as administrative, registrar and transfer agent, paying agent and as domiciliation services agent of the Company (the Administrator) pursuant to the Administration Agreement, as may be amended or supplemented from time to time, and the Domiciliation Services Agreement.

Northern Trust Global Services SE is a credit institution constituted as European company (*Societas Europaea*), authorized in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF and registered with the Luxembourg Trade and Companies' Register under number B232281. Its registered office is at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg.

The relationship between the Company, the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Company required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Company, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of shareholders. In addition, as registrar and transfer agent of the Company, the Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The Administration Agreement and the Domiciliation Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Administration Agreement and the Domiciliation Services Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Agreement and the Domiciliation Services Agreement may be terminated by the Company with immediate effect if this is deemed by the Company to be in the interest of the investors. The Administration Agreement and the Domiciliation Services Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Company and the Management Company will not be affected by any delegation of functions by the Administrator.

#### 6.6 Global Distributor

With the consent of the Company, the Management Company has appointed ACOLIN Europe AG as Global Distributor pursuant to the Global Distribution Agreement.

ACOLIN Europe AG is a *Gesellschaft mit beschränkter Haftung* incorporated under the laws of Germany on 5 November 2013. It is

authorized as financial services institution pursuant to Section 1 paragraph 1a first sentence of the *Kreditwesengesetz* (KWG), and as securities trading company pursuant to Section 1 paragraph 3d second sentence of the KWG and regulated by the German Federal Financial Supervisory Authority (BaFin) in Germany under German law.

The relationship between the Company, the Management Company and the Global Distributor is subject to the terms of the Global Distribution Agreement. Under the terms of the Global Distribution Agreement, the Global Distributor will exclusively appoint Distributors or other placing agents in the relevant distribution countries in accordance with applicable laws and regulations.

The Global Distribution Agreement is concluded for an indefinite period and is subject to a minimum term of two years. After expiration of this term, this agreement may be terminated wholly or partly in regards of a Sub-Fund by any party with effect to any quarter end by giving written notice 6 months prior to the date upon which such termination shall become effective. This Agreement is terminable by either Party immediately upon written notice to the other if the other Party commits a material breach of this Agreement and fails to remedy such breach within 7 (seven) Working Days of being requested to do so; or the other Party ceases to have suitable regulatory permission to carry on its business; or the other Party becomes insolvent or has a receiver or administrator appointed over any of its assets; or owing to political, military or other serious events (other than those of temporary nature), such as the imposition of exchange controls, significant changes in the legal or fiscal environment or a sale it becomes impossible or impracticable for one of the Parties to comply with the terms of this Agreement and if that party cannot reasonably be expected to respect the usual period of termination. The Global Distribution Agreement contains provisions exempting the Global Distributor from liability and indemnifying the Global Distributor in certain circumstances. However, the liability of the Global Distributor towards the Company and the Management Company will not be affected by any delegation of functions by the Global Distributor.

#### 6.7 Auditor

The Company has appointed PwC Luxembourg S.C. as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

#### 6.8 Conflicts of interest

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Company, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Company.

As further described in the Articles of Association, any director of the Company who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Company's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Company's interests being prejudiced, and if they cannot be avoided, ensure that the Company is treated fairly.

The Depositary has adopted and implemented a conflicts of interests policy and has made appropriate organisational and administrative arrangements to ensure that it complies with its fiduciary duties in the context of the performance of its Depositary services.

## 6.9 Execution of transactions

The Investment Manager will ensure that any counterparty used for the execution of transactions has adopted a "best execution" policy with the objective of obtaining the best possible result for the Company and its Sub-Funds.

## 7. SHARES

### 7.1 Shares, Sub-Funds and Share Classes

#### 7.1.1 Shares

The share capital of the Company is at all times equal to the Net Asset Value of the Company, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Company, as set out in section 10.1 (Reports and financial statements) below. The share capital of the Company must at all times be at least equal to the minimum required by the 2010 Law, which is currently the equivalent in the Reference Currency of the Company of EUR 1,250,000.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Company evidences the shareholder's ownership right towards the Company.

Shares may also be eligible for clearing and settlement by Clearstream, Euroclear or other recognized securities clearing and settlement systems. In such case, Shares may be held and transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

The Company will recognize only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Company. The Company has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Company is authorized without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Company and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places, rounded up or down (mathematical rounding). Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund and Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund and Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund and Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund and Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Company decides otherwise.

#### 7.1.2 Sub-Funds

The Company is a single legal entity incorporated as an umbrella fund structure comprised of separate Sub-Funds. Each Share issued by the Company is a share in a Share Class of a specific Sub-

Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 8.2 (Valuation procedure) below.

Each Sub-Fund will be established for an unlimited duration.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

#### 7.1.3 Share Classes

The Sub-Funds will offer one or several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

In particular, the Sub-Funds may offer Currency Hedged Share Classes. The Company may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

Currency Hedged Share Classes involve certain risks, as described in section 5 (General risk factors) above.

Each Share Class will be created for an unlimited duration.

The Board of Directors has discretion over which share classes are due to be launched.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. For each Sub-Fund launched, the list of active Share Classes currently available for subscription in each jurisdiction may be obtained on website [www.fundpublications.com](http://www.fundpublications.com).

#### 7.1.4 Changes to Sub-Funds and Share Classes

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund and Share Class concerned will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

## 7.2 Dividend distribution policy

Each Sub-Fund may offer distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Accumulation Shares). Distribution Shares and Accumulation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Accumulation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Accumulation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Company shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Company shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in the Supplement. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Company would fall below the minimum share capital required by the 2010 Law which is currently the equivalent in the Reference Currency of the Company of EUR 1,250,000.

If requested by an investor, dividends declared with respect to Distribution Shares will be reinvested in Shares of the same Share Class and investors will be advised of the details by a dividend statement.

No interest shall be paid on dividend distributions declared by the Company which have not been claimed. Dividends not claimed within five (5) years of their declaration date will lapse and revert to the relevant Share Class.

## 7.3 Eligible Investors

Shares may only be acquired or held by investors who satisfy all eligibility requirements for a specific Sub-Fund and Share Class as specified for the Sub-Fund and Share Class in the Supplement (an Eligible Investor). Certain Sub-Funds and Shares Classes may indeed be reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Company may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Company may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 7.10 (Prohibited Persons) below).

## 7.4 Subscription for Shares

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus the Anti-Dilution Levy) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund and Share Class are specified in the Supplement.

### 7.4.1 Subscription application

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for

that Subscription Day. The Net Asset Value per Share for the Subscription Day is unknown to the investors when they place their subscription applications.

The Sub-Funds may charge an Anti-Dilution Levy on subscriptions for Shares, as set out in section 9.5 (Anti-Dilution Levy) below, which will be added to the Subscription Price. The Anti-Dilution Levy is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund and Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Share Class of a Sub-Fund will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus the Anti-Dilution Levy). The Subscription Form must be submitted to the Administrator following the instructions on such form. The Subscription Form is available from the Administrator on request.

Instructions for the subscription of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including subscriptions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Subscription Form), in accordance with the investors' instructions on the Subscription Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

The Company will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Company has received all information and supporting documentation it deems necessary to process the application. The Company may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Company. Unclear or incomplete applications may lead to delays in their execution. The Company will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Company prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Company may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Company reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Company may refuse an application for subscription where the Company determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Company will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Company, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Company, notably under other exceptional circumstances.

#### 7.4.2 Settlement of subscription

The Subscription Price (plus the Anti-Dilution Levy) must be paid in the Reference Currency of the Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus the Anti-Dilution Levy) must be received by the Sub-Fund concerned by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus the Anti-Dilution Levy) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Company, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less the Anti-Dilution Levy). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Company reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus the Anti-Dilution Levy) by the end of the Subscription Settlement Period. The Company may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

#### 7.5 Redemption of Shares

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less the Anti-Dilution Levy) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

The Management Company employs a liquidity management system and has put in place procedures which enable it to monitor the liquidity risks of the Company and to ensure that the liquidity profile of a Sub-Fund's investment portfolio is such that the Sub-Fund, normally meets at all times its obligation to repurchase its Shares at the request of Shareholders. Reference is also made to the liquidity management tools as available to the Company and later described such as postponement of the redemption settlement (section 7.5.2), temporary suspension of redemptions (section 7.8.3) and Anti-Dilution Levy (section 9.5).

##### 7.5.1 Redemption application

Shareholders may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Sub-Funds may charge an Anti-Dilution Levy on redemptions of Shares, as set out in section 9.5 (Anti-Dilution Levy) below, which will be deducted from the payment of the Redemption Price. The Anti-Dilution Levy is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Shareholders wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form. The Redemption Form is available from the Administrator on request.

Instructions for the redemption of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including

redemptions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Redemption Form), in accordance with the investors' instructions on the Redemption Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

The Company will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Company has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Company will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Company may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Share Class of a Sub-Fund shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Company, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

##### 7.5.2 Settlement of redemption

Redemption proceeds equal to the full amount of the Redemption Price (less the Anti-Dilution Levy) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Company will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Share Class.

The Company reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Company may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Redemption Price (less the Anti-Dilution Levy) due but not yet paid for the Shares to be redeemed has been received by the Company. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

#### 7.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of



New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

### 7.6.1 Conversion application

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Company charges no Conversion Fee on conversions of Shares of the same Sub-Fund. The Company charges a Conversion Fee on conversions of Shares between different Sub-Funds. The Conversion Fee is equal to the sum of the Anti-Dilution Levy applicable to the New Shares and the Anti-Dilution Levy applicable on the Original Shares.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form. The Conversion Form is available from the Administrator.

Instructions for the conversion of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including conversions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Conversion Form), in accordance with the investors' instructions on the Conversion Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

The Company will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Company has received all information and supporting documentation it deems necessary to process the application. The Company may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Company. Unclear or incomplete applications may lead to delays in their execution. The Company will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Company may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Company reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Company decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus

any Anti-Dilution Levy) for the Original Shares has been received by the Company.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Company in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

### 7.6.2 Conversion rate

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the exchange rate, as determined by the Company or its agents, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee will be applied on conversions of Shares between different Sub-Funds. The Conversion Fee is equal to the sum of the Anti-Dilution Levy applicable to the New Shares, if any, and the Anti-Dilution Levy applicable on the Original Shares, if any.

No Conversion Fee will be applied on conversions of Shares within the same Sub-Fund.

## 7.7 Transfer of Shares

### 7.7.1 Conditions and limitations on transfer of Shares

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Company may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Company by way of declaration of transfer entered in the register of shareholders of the Company following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Company.

The Company will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Company may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Company. Unclear or incomplete transfer orders may lead to delays in their execution. The Company will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

Shares which are eligible for clearing and settlement by Clearstream, Euroclear or other recognized securities clearing and settlement systems may also be transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

## 7.8 Special considerations

### 7.8.1 Minimum subscription and holding amounts

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified

for each Share Class in the Supplement. The Company may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Company may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Company may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Company may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Company will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Company has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Company may waive all or part of such requirements for investments made by certain Nominees and other professional intermediaries.

#### 7.8.2 Minimum or maximum level of assets under management

The Company may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer Period where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Company will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an economically efficient manner, the Company may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Company may also decide to close a Sub-Fund or Share Class to new subscriptions or new investors where that Sub-Fund or Share Class has reached or is about to reach its maximum or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Company will be returned to the applicant.

#### 7.8.3 Suspension of issue, redemption or conversion of Shares

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Company in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption

Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Company before the end of the suspension period.

#### 7.9 Late trading, market timing and other prohibited practices

The Company does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to such same day. However, as mentioned above, the Company may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated.

Subscriptions and conversions of Shares should be made for investment purposes only. The Company does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Company and other investors, the Company has the right to reject any subscription or conversion order from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Company. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Company also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Company will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

#### 7.10 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Company, the Management Company or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the U.S. or in any other jurisdiction, or (iii) may cause the Company, the Management Company or the Investment Manager or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a "Prohibited Person").

**The Board of Directors has decided that U.S. Persons will be considered as Prohibited Persons.** By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a U.S. Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a U.S. Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Company in the event that either the applicant becomes a U.S. Person or holds the Shares on behalf of, or for the account or benefit of, a U.S. Person. If an applicant's status changes and it becomes a U.S. Person, it

must notify the relevant party as mentioned above within thirty (30) days.

The Board of Directors has also decided that any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Company may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Company may require at any time any investor or prospective investor to provide the Company with any representations, warranties, or information, together with supporting documentation, which the Company may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Company may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or shareholders who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Company will notify the shareholder of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Company may also grant a grace period to the shareholder for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more shareholders who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any shareholder who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Company reserves the right to require the shareholder to indemnify the Company against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or shareholders who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Company may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the shareholder's other Shares, if any, in order to pay for such losses, costs or expenses.

#### **7.11 Prevention of money laundering**

The Company must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time. In particular, anti-money laundering measures in force in Luxembourg require the Company, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Subscribers for Shares will be required to provide to the Company the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Company is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Company has the right to request additional information until it is reasonably satisfied that it understands the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Company prior to the occurrence of any change in the

identity of any beneficial owner of Shares. The Company may require from existing investor, at any time, additional information together with all supporting documentation deemed necessary for the Company to comply with anti-money laundering measures in force in Luxembourg.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, where a subscriber is a credit institution or financial institution governed by the 2004 Law or a credit or financial institution, within the meaning of Directive (EU) 2015/849, of another Member State or situated in a third country which imposes requirements equivalent to those laid down in the 2004 Law or in Directive (EU) 2015/849 and is supervised for compliance with those requirements. These procedures may only apply if the credit or financial institution referred to above is located within a country recognized by the Company as having equivalent anti-money laundering regulations to the 2004 Law.

Failure to provide information or documentation deemed necessary for the Company to comply with anti-money laundering measures in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

The Company is required to obtain and hold adequate, accurate and up-to-date information and documentation on the person(s) identified as its beneficial owner(s) (the "BO" or the "BOs") at its registered office and to upload this information and relevant documentation to the register of beneficial owners of Luxembourg legal entities (the "RBE") as set out in the Luxembourg law dated 13 January 2019 (the "RBE Law"). The BO(s) is any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of Shares or voting rights or ownership in that entity. A shareholding of 25% plus one Share in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one Share in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

If, after having exhausted all possible means and provided there are no grounds for suspicion, no such natural person is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any board member.

In case a shareholder becomes the BO or one of the BOs of the Company, the Company or its service providers will submit the relevant information (such as e.g. the name and surname, nationality, date and place of birth, country of residence, the exact private or professional address, national or foreign identification number, etc.) and documentation (such as e.g. copy of the relevant ID card, etc.) to the RBE. The BO-related information contained in the RBE will be notably made available electronically to competent authorities for the purposes of their supervisory duties.

It is in the sole responsibility of each shareholder to avoid becoming the BO of the Company and the Company rejects any liability for the consequences of a shareholder becoming the BO or one of the BOs of the Company. The Company or its service providers will inform a shareholder once he/she is considered as the BO or one of the BOs of the Company. Such shareholder may request in writing a restriction of access to the information in the RBE in certain exceptional circumstances (e.g. where such access would expose the BO to a disproportionate risk, a risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the BO is a minor or otherwise incapable). However, it should be noted that such restriction of access is subject to stringent conditions on a case-by-case basis and the Company cannot be held liable in any way if the restriction is not granted by the RBE.

The Company or its service providers will inform a shareholder once he/she is no longer considered as the BO or one of the BOs of the Company. However, the relevant information and documentation will be kept for a minimum of five (5) years as required by the RBE Law.

## 8. VALUATION AND NET ASSET VALUE CALCULATION

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Company and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

### 8.1 Calculation of the Net Asset Value

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day (as specified for each Sub-Fund in the Supplement) and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to two (2) decimal places (mathematical rounding).

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of the Company will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Company. The Net Asset Value of the Company must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently the equivalent in the Reference Currency of the Company of EUR 1,250,000.

### 8.2 Valuation procedure

#### 8.2.1 General

The assets and liabilities of the Company will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorized the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed by the Company in connection with the valuation of the Company's assets and the calculation of the Net Asset Value of the Company, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Company and on all investors, and neither the Board of Directors nor any agent appointed by the Board of Directors shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

#### 8.2.2 Assets of the Company

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Company shall include the following:

- 1) all cash on hand or on deposit, including any outstanding accrued interest;
- 2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- 3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Company;
- 4) all dividends and distributions payable to the Company either in cash or in the form of stocks and shares (which will normally be recorded in the Company's books as of the ex-dividend date, provided that the Company may adjust the value of the security accordingly);
- 5) all outstanding accrued interest on any interest-bearing instruments belonging to the Company, unless this interest is included in the principal amount of such instruments;
- 6) the formation expenses of the Company or a Sub-Fund, to the extent that such expenses have not already been written off; and
- 7) all other assets of any kind and nature including expenses paid in advance.

#### 8.2.3 Liabilities of the Company

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Company shall include the following:

- 1) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- 2) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Company but not yet paid;
- 3) a provision for any tax accrued to the Valuation Day and any other provisions authorized or approved by the Company; and
- 4) all other liabilities of the Company of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Company will take into account all expenses, fees, costs and charges payable by the Company as set out in section 9 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Company will be borne by the first Sub-Fund and will be amortised over a period of five (5) years. The formation expenses of each additional Sub-Fund will be borne by such Sub-Fund and will be amortised over a period of three (3) years. Additional Sub-Funds created after the incorporation and launch of the first Sub-Fund will not participate in the non-amortised costs of establishment of the Company.

### 8.2.4 Valuation principles

In accordance with the Articles of Association, the valuation of the assets of the Company will be conducted as follows:

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Administrator may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Administrator using any valuation method approved by the Board of Directors.
- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Administrator using any valuation method approved by the Board of Directors.
- 5) Financial derivative instruments which are traded over-the-counter (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in investment funds (including UCITS and UCI) will be valued at

their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Administrator is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the investment fund. Alternatively, shares or units in investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.

- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Administrator using any valuation method approved by the Board of Directors.

### 8.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes

Assets and liabilities of the Company will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association and as set out below.

- 1) The proceeds from the issue of Shares of a Share Class of a Sub-Fund, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund and Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 7.1 (Shares, Sub-Funds and Share Classes) above).
- 2) All liabilities of the Company attributable to the assets allocated to a Share Class of a Sub-Fund or incurred in connection with the creation, operation or liquidation of a Sub-Fund and Share Class will be charged to that Sub-Fund and Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund and Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- 3) Any assets or liabilities not attributable to a particular Sub-Fund and Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds and Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund and Share Class.

### 8.2.6 Additional rules for assets and liabilities of the Company

In calculating the Net Asset Value of each Sub-Fund and Share Class the following principles will apply.

- 1) Each Share agreed to be issued by the Company on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Company, the assets of the Sub-Fund and Share Class concerned will be deemed to include a claim of that Sub-Fund and Share Class for the amount of any cash to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund and Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- 2) Each Share agreed to be redeemed by the Company on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Company, the liabilities of the

Sub-Fund and Share Class concerned will be deemed to include a debt of that Sub-Fund and Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund and Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.

- 3) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Company to be the distribution accounting date, the Net Asset Value of the Sub-Fund and Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- 4) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Company, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Company, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Company has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Company in accordance with the valuation principles described above.
- 5) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Company, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Company, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

### 8.2.7 Adjustments

An extra charge will be levied by the Company on investors subscribing or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the "Anti-Dilution Levy"). The rate of the Anti-Dilution Levy will be set by the Board of Directors from time to time for each Sub-Fund so as to represent the estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. The Anti-Dilution Levy is set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Anti-Dilution Levy in view of market conditions. The Anti-Dilution Levy applies only if the total amount of all subscriptions converted into the Reference Currency of a Sub-Fund as stated in the Supplement exceeds the total amount of all redemptions converted into the Reference Currency of a Sub-Fund on a Valuation Day (net subscriptions) or if the total amount of all redemptions converted into the Reference Currency of a Sub-fund exceeds the total amount of all subscriptions converted into the Reference Currency of a Sub-Fund for the same Valuation Day (net redemptions) by a certain threshold. The threshold is set by the Board of Directors and reviewed periodically. In case the threshold is exceeded, the Anti-Dilution Levy will be applied to all subscriptions and all redemptions for a given Valuation Day. No Anti-Dilution Levy will be applied on either subscriptions or redemptions for a given Valuation Day in case the threshold is not exceeded.

The Anti-Dilution Levy will be allocated to the assets of the Sub-Fund and will, therefore, benefit the existing or remaining investors.

### 8.3 Publication of the Net Asset Value

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Administrator during normal business hours.

### 8.4 Temporary suspension of the Net Asset Value calculation

The Board of Directors may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and

conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- 1) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Company from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- 7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- 8) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;
- 9) in the event of a notice to shareholders of the Company convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Company or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Company, a Sub-Fund or Share Class;
- 10) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 11) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 12) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Company, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Company has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares of a Share Class of a Sub-Fund will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares of a Share Class of any other Sub-Fund.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

## 9. FEES AND EXPENSES

### 9.1 All-in Fee

The Company charges an All-in Fee at the rate specified in the Supplement for each Share Class of each Sub-Fund.

Unless otherwise provided in a Sub-Fund's Supplement, the All-in Fee covers costs and expenses such as:

- 1) the Investment Manager Fee as described in section 9.1.1;
- 2) all fees of the Management Company as described in section 9.1.2;
- 3) all fees of the Depositary as described in section 9.1.3;
- 4) all fees of the Administrator as described in section 9.1.4;
- 5) all fees of the Global Distributor as described in section 9.1.5;
- 6) fees related to the Board of Directors as described in section 9.1.6;
- 7) any other operating and administrative expenses, which occur in the normal operation of the Company or any Sub-Fund as described in section 9.1.7;
- 8) all costs and expenses incurred in connection with the formation of the Company as further described in section 9.1.8.

The All-in Fee will accrue on each Valuation Day and will cover any fee or expense mentioned in section 9.1.1 to 9.1.8. In principal, the All-in Fee covers all costs and expenses normally used in the calculation of the ongoing charges figure (OCF) of the Company or any Sub-Fund. The All-in Fee will be payable quarterly in arrears out of the assets of the Company and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above).

For the avoidance of doubt, the All-in Fee does not cover:

- 1) transaction costs as described in section 9.2;
- 2) extraordinary costs and expenses as described in section 9.3;
- 3) performance fees, if any, as described in section 9.4;
- 4) the Anti-Dilution Levy as described in section 9.5, paid directly by the investor.

#### 9.1.1 Investment Manager Fee

Except as otherwise provided in a Sub-Fund's Supplement for the whole Sub-Fund or particular Share Class, the Investment Manager will be entitled to receive a fee, calculated as the difference between the All-in Fee and all other costs and expenses accrued or paid as described in section 9.1.2 to 9.1.8. In case the difference is positive, the fee will be payable quarterly in arrears. In case the difference is negative, the Investment Manager will reimburse the Company for the negative difference quarterly in arrears.

Subject to applicable laws and regulations, the Investment Manager may from time to time, at its sole discretion, share part of its fee with financial intermediaries, affiliates, distributors and/or third-parties.

#### 9.1.2 Fees of the Management Company

The Management Company will be entitled to an annual fee of up to 0.05% p.a. of the Net Asset Value of each Sub-Fund, consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund of EUR 30,000 per annum. The fee will be payable quarterly in arrears. The Management Company will also be entitled to reimbursement of fees related to the preparation and filing of regulatory reports, as well as of reasonable out-of-pocket expenses properly incurred in carrying out its duties. The Management Company may provide collateral management services to the Company. The provision of such services by the Management Company would be subject to additional fees with a minimum of EUR 10,000 per annum per Sub-Fund.

#### 9.1.3 Fees of the Depositary

The Depositary will be entitled to a fee of up to 0.0375% per annum of the Net Asset Value of each Sub-Fund consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund of EUR 20,000 per annum. The Depositary fee will be payable quarterly in arrears. The Depositary will also be entitled to an oversight fee of EUR 10,000 (plus VAT) per annum, also payable quarterly in arrears. In addition, the Depositary will be entitled to transaction-related fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. These fees vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. The Depositary may provide collateral management services to the Company. The provision of such services by the Depositary would be subject to additional fees.

#### 9.1.4 Fees of the Administrator

The Administrator will be entitled to an annual fee of up to 0.021% p.a. of the Net Asset Value of each Sub-Fund consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund of EUR 24,300 per annum. The Administrator fee will be payable quarterly in arrears. The Administrator will also be entitled to a paying agent fee of EUR 1,000 per annum per Sub-Fund, also payable quarterly in arrears. In addition, the Administrator will be entitled to transaction-related fees charged on the basis of the investments made by each Sub-Fund as well as the number of shareholder transactions (subscriptions, redemptions, conversions) consistent with market practice in Luxembourg. The Administrator will also be entitled to reimbursement of fees related to providing domiciliation services to the Company, fees related to the preparation and filing of reports, fees related to the preparation and dissemination of the KIDs or KIIDs (as defined below), fees related to tax calculations, as well as of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

#### 9.1.5 Fees of the Global Distributor

The Global Distributor will be entitled to a minimum fee of EUR 25,000 per annum. The minimum fee will be payable annually in advance. In addition, the Global Distributor or its affiliates will be entitled to reimbursement of fees related to distribution and other services provided to the Company, the Distributors or other financial intermediaries, affiliates, and/or third-parties.

The Global Distributor may also receive fees shared by the Investment Manager as described in section 9.1.1, which will be passed on to the respective financial intermediaries, affiliates, distributors and/or third-parties.

#### 9.1.6 Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. The Company will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

## 9.1.7 Operating and Administrative Expenses

The All-in Fee also covers all ordinary costs and expenses incurred in the operation and administration of the Company or any Sub-Fund or Share Class ("Operating and Administrative Expenses") including but not limited to costs and expenses incurred in connection with:

- 1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Company, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, KIDs or KIIDs, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- 2) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- 3) professional advisory services (such as legal, tax, accounting, compliance, auditing and other advisory services) taken by the Company or the Management Company on behalf of the Company;
- 4) the authorisation of the Company, the Sub-Funds and Share Classes, to fulfil regulatory compliance obligations and reporting requirements of the Company (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Company and/or the members of the Board of Directors;
- 5) initial and ongoing obligations relating to the registration of the Company, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- 6) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Company; and
- 7) the reorganisation or liquidation of the Company, a Sub-Fund or Share Class.

In case the Company engages one or several service providers for the recovery of withholding taxes, any costs and expenses associated with such services will be deducted from the recovered amounts and will not be treated as an expense for the Company unless the costs and expenses are higher than the recovered amounts.

## 9.1.8 Formation costs and expenses

The costs and expenses incurred in connection with the formation of the Company are estimated to an amount of approximately EUR 75,000. Such costs and expenses will be covered by the All-in Fee of the first Sub-Fund and will be amortised over a period of five (5) years from the date of launch of the first Sub-Fund. The formation costs and expenses of each additional Sub-Fund will be covered by the All-in Fee of such Sub-Fund and will be amortised over a period of three (3) years. Additional Sub-Funds created after the incorporation of the Company and launch of the first Sub-Fund will not participate in the non-amortised formation costs and expenses of the Company.

## 9.2 Transaction costs

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents, exchange fees, taxes, levies and stamp duties chargeable

in connection with transactions in securities or other financial instruments, and any other transaction-related expenses which are normally excluded from the calculation of the ongoing charges figure (OCF). For the avoidance of doubt, the transaction costs are not part of the All-in Fee described in section 9.1.

## 9.3 Extraordinary costs and expenses

In order to safeguard the interests of the Company and its investors, the Company or any Sub-Fund may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Company or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses. For the avoidance of doubt, such extraordinary costs and expenses are not part of the All-in Fee described in section 9.1.

## 9.4 Performance Fee

The Investment Manager may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes; the payment and size of the Performance Fee depends on the performance of the Sub-Fund or Share Class over a specified time period. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including the All-in Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Company and allocated to the relevant Sub-Funds and Share Classes as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. Details regarding the calculation and payment of Performance Fees are contained in the Supplement. For the avoidance of doubt, the Performance Fee, if applicable, is not part of the All-in Fee described in section 9.1.

## 9.5 Anti-Dilution Levy

An extra charge referred to as the Anti-Dilution Levy will be levied by the Company on investors subscribing for or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions, as described in section 8.2.7 (Adjustments) above, and as specified in the Supplement, where applicable. The Anti-Dilution Levy will not be applied at the launch of a Sub-Fund. The Anti-Dilution Levy will also apply for Conversions of Shares between different Sub-Funds. No Anti-Dilution Levy will be applied on conversions of Shares within the same Sub-Fund.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Company has no control over such arrangements.

## 10. GENERAL INFORMATION

### 10.1 Reports and financial statements

The financial statements of the Company will be prepared in accordance with Luxembourg GAAP.

The financial year of the Company will begin on 1 January of each year and end on 31 December of the same year. Each year, the Company will issue an Annual Report as of the end of the previous financial year comprising, inter alia, the audited financial statements of the Company and each Sub-Fund and a report of the Board of Directors on the activities of the Company. The Company will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year ended on 31 December 2018 and the first Annual Report was issued as of 31 December 2018.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain a copy of the latest financial reports at the registered office of the Company free of charge.



The Reference Currency of the Company is the US Dollar (USD). The Annual Report will comprise consolidated accounts of the Company expressed in USD as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

### 10.2 Meetings of shareholders

The annual general meeting of shareholders will be held within four (4) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Company for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Company, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Company. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in the *Recueil électronique des sociétés et associations* (RESA) and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the Shares are distributed. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Company. A single person may represent several or even all shareholders of the Company, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Company, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Company.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Prospectus, the Subscription Form or the Articles of Association.

### 10.3 Investors' rights

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Company in relation to the relevant Sub-Fund and Share Class. The Company draws the attention of investors to the fact that, in case an investor invests in the Company through an intermediary, (i) it may not always be possible for the investor to exercise certain shareholder rights, directly against the Company and (ii) investors' rights to indemnification in the event of NAV errors/non-compliance with the investment rules applicable to a Sub-Fund may be impacted and only exercisable indirectly.

The Articles of Association and the Subscription Form are governed by, and construed in accordance with, the laws currently in force in Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of

mandatory domestic provisions, renders a judgment against the Company, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 6 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by a service provider is, *prima facie*, the Company itself.

### 10.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Company, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

### 10.5 Documents available

Investors may, upon request, obtain a copy of the Articles of Association, this Prospectus, the PRIIPs KID, or where applicable, the UCITS KIID (both as defined below), as well as of the latest Annual Report or Semi-Annual Report at the registered office of the Company free of charge during normal business hours on any full bank business day in Luxembourg.

Since 1 January 2023 and in accordance with Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("PRIIPs"), as amended, and the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014, as amended (collectively referred to as the "PRIIPs Regulation"), a key information document ("KID") will be published for each Share Class where such Share class is available to retail investors in the European Economic Area (the "EEA").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU ("MiFID II") (referred to herein as a "Retail Investor").

A KID will be handed over to Retail Investors and professional investors, where shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Company. In accordance with the PRIIPs Regulation, the KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) on a website in which case it can also be obtained, upon request, in paper form from <https://fundpublications.com/en/funds> free of charge.

Retail investors located in the United Kingdom will continue to be provided with UCITS key investor information document ("KIIDs").

The Management Company and the Investment Manager have adopted "best execution" policies with the objective of obtaining the best possible result for the Company when executing decisions to deal on behalf of the Company or placing orders to deal on behalf of the Company with other entities for execution. Further information on the best execution policy may be obtained from the Management Company upon request.

The Investment Manager has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken

on the basis of this strategy in relation to each Sub-Fund may be obtained from the Management Company upon request.

### 10.6 Complaints

Any shareholder having a complaint to make about the operations of the Company may file a complaint by writing to the Management Company. Details on the complaints handling procedure may be obtained from the Management Company upon request and on website [www.gfmmanagement.lu](http://www.gfmmanagement.lu).

### 10.7 Data protection

In accordance with the provisions of the data protection laws and regulations applicable in Luxembourg, including the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR"), and applicable domestic legislation implementing the GDPR, as amended from time to time (collectively hereinafter referred to as the "Data Protection Laws"), the Company, as data controller, collects, stores and processes, by electronic or other means and as prescribed in the Data Protection Laws, the data supplied by (prospective) investors or, in the event an investor is not a natural person, information relating to officers, directors, partners, members, representatives, contact persons, agents, persons holding a power of attorney, or beneficial owners of the investor (each a "Data Subject"), for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The Company may also arrange the processing of the received investors' personal information, as described below (the "Personal Data") by service providers. The term "process" as used in this Prospectus has the meaning ascribed to it in the Data Protection Laws.

Personal Data of the investors is subject to certain legal safeguards specified in the GDPR. The Data Protection Laws prescribe the way in which the Company and its service providers may collect, retain and handle Personal Data.

The Personal Data processed includes in particular the name, identification number/social security number, details from the passport such as the passport number, and further information including photograph, date and place of birth, contact details (including postal or email address, telephone number, sample signature), banking details, bank statements and payment instructions, information relating to the investor's subscription in the Company as well as to redemptions, including transactions data, proof of the investor's eligibility to purchase units in the Company, revenue, wealth and its source, telephonic or electronic recordings, information used in "cookies" and similar technologies on websites, mobile applications and in e-mails to recognize a Data Subject, remembering the respective Data Subject's preferences and invested amount and holdings in the Company of investors.

- The investor may at his/her discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares. Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars and requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the Commission Nationale pour la Protection des Données – CNPD) or the European Data Protection Board, each Data Subject has the following rights: Right to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originates and whether it originates from publicly accessible sources.
- Right to have the Personal Data rectified or corrected if he / she deems the Personal Data incomplete or incorrect.
- Right to restrict the use of his/her Personal Data.
- Right to request that his/her Personal Data be erased, unless there is a legitimate reason to justify storing it.
- Right to object to processing of his/her Personal Data, unless a legitimate reason prevails over his/her interests and rights.

- Right to data portability (in certain specific circumstances), i.e. the right to receive the Personal Data in a structured format.

Personal Data supplied by investors or shareholders is processed in order to subscribe for Shares in the Company, for the legitimate interests of the Company and to comply with the legal obligations imposed on the Company. In particular, Personal Data supplied by investors is processed for the purposes of:

- processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors;
- account administration;
- client relationship management;
- performing controls on excessive trading and market timing practices;
- tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS); and
- compliance with applicable anti-money laundering rules.

Data supplied by shareholders is also processed for the purpose of maintaining the register of shareholders of the Company. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of its Personal Data for marketing purposes by writing to the Company. To this end, Personal Data may also be processed by the Company's data processors (the "Processors") which, in the context of the above mentioned purposes, refer to, in particular, the Management Company, the Administrator, the Depositary, the Auditor, the Legal Adviser, the Global Distributor, and the Distributors that are located in the European Union. Personal Data may also be transferred to entities located in countries outside of the European Union, in particular, to the Investment Manager located in Switzerland. Any transfer of Personal Data to the Processors located in Switzerland relies on adequacy decisions of the EU Commission pursuant to which Switzerland is considered to offer an adequate level of protection for Personal Data. In case Personal Data is transferred to countries which are not deemed as equivalent in terms of Data Protection Laws, it is legally required that the Company, the Management Company, the Registrar and Transfer Agent or any other agent provides for appropriate safeguards in order to ensure the appropriate protection of the investors' Personal Data. In subscribing for Shares, each investor expressly consents and agrees to the transfer and processing of his/her Personal Data to the entities referred to above, including entities located outside the European Union, in particular, to the Investment Manager located in Switzerland. Any disclosure of Investors' (and related Data Subjects') Personal Data to Processors located outside the European Union shall be made upon data transfer agreements in the form of the EU Commission approved model contractual clauses (as amended from time to time) (the "Model Clauses") or any other measures satisfying the requirements of the Data Protection Laws for such disclosure. In this respect, Investors (and related Data Subjects) have a right to request copies of the relevant transfer documents for enabling the Personal Data transfer(s) towards such countries by writing to the Company. The Company may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities. Investors' (and related Data Subjects') Personal Data will not be retained for a period longer than necessary for the purpose of the data processing as set out in this Prospectus, subject to applicable legal minimum retention periods.

The Personal Data of investors and their related parties, where applicable, will be retained for a maximum duration of up to five (5) years following the end of the business relationship between the respective investor and the Company. Personal Data may be retained for a longer duration if this is required under applicable law, or by a regulatory or tax authority, a law enforcement agency or other governmental or public body, or if considered necessary in order to allow the Company and the Company's key service providers or their affiliates to comply with their legal obligations. Once the period referred to above has expired, to the extent that this is applicable, the

following actions will be carried out, at the respective Data Subject's choice:

- permanent deletion or destruction of the relevant Personal Data; or
- return of the Personal Data to the respective Data Subject.

The investors may exercise their aforementioned rights by writing to the Company at the following address: 10, Rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg.

### 10.8 Merger and reorganisation

#### 10.8.1 Merger of the Company or a Sub-Fund with other UCITS

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Company, where the Company is the receiving entity, with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds, which may be the receiving or the merging Sub-Funds, with one or several other Sub-Funds within the Company or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. Such mergers do not require the prior consent of the shareholders.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the shareholders may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Company or Sub-Fund(s) concerned, as applicable. The convening notice will explain the reasons for and the process of the proposed merger.

The Company may be merged (within the meaning of the 2010 Law) into one or several other Luxembourg or foreign UCITS, or sub-fund thereof, where the Company is the merging entity, which thus ceases to exist as a result of the merger. In such case, the general meeting of shareholders of the Company must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

In all cases described in the preceding paragraphs, a merger of the Company or one or several Sub-Fund(s) will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

#### 10.8.2 Absorption of another UCI by the Company or a Sub-Fund

The Company may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

The Board of Directors may also decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Company or one or several Sub-Funds, including by way of merger or by acceptance of a contribution in kind, of a Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form, or one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of its legal form.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Company or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Company or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

#### 10.8.3 Reorganisation of Share Classes

The Board of Directors may decide to reorganize Share Classes, as further described below, in the event that, for any reason, the Board of Directors determines that:

- 1) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be operated in an efficient manner;

- 2) changes in the legal, economic or political environment would justify such reorganisation; or
- 3) a product rationalisation would justify such reorganisation.

In such a case, the Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes (following a split or consolidation of Shares, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement).

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, investors may also decide on such reorganisation by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganisation.

Investors will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the reorganisation.

### 10.9 Liquidation

#### 10.9.1 Termination and liquidation of Sub-Funds or Share Classes

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

- 1) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be operated in an efficient manner;
- 2) changes in the legal, economic or political environment would justify such liquidation; or
- 3) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class and have the Company redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Sub-Funds or Share Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorized to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Company will result in the dissolution and liquidation of the Company as described in section 10.9.2 (Dissolution and liquidation of the Company) below.

**10.9.2 Dissolution and liquidation of the Company**

The Company is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Company may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as a decision to dissolve the Company is taken, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

**10.10 Remuneration Policy**

The Board of Directors of the Management Company has adopted a remuneration policy, the objectives of which are to ensure that the remuneration is in line with the applicable regulations, and more specifically with the provisions defined under (i) the UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time, the ESMA guidelines on sound remuneration policies under the AIFM published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010; and to comply with the Northern Trust Global Services SE remuneration policy framework. Such remuneration policy is reviewed at least annually.

The remuneration policy promotes a sound and effective risk management environment, is in line with the interests of the shareholders and discourages risk-taking which is inconsistent with the risk profiles rules or instruments of incorporation of such UCITS/AIFs. The remuneration policy furthermore fosters compliance with the Management Company's and the UCITS/AIFs' strategies, objectives, values and interests including measures to avoid conflicts of interests.

The remuneration of all staff members of the Management Company is appropriately balanced between fixed and variable elements. The fixed component of the remuneration represents a sufficient high proportion of the total remuneration and allows a fully flexible bonus strategy, including the possibility to pay no variable remuneration component. The fixed remuneration is determined by taking into consideration the role of the individual employee, including responsibility and job complexity, performance and local market conditions. It is also to be noted that the Management Company may, on its own discretion, offer fringe benefits to some employees which are an integral component of the fixed remuneration.

Any relevant disclosures shall be made in the annual reports of the Management Company in accordance with the provisions of the UCITS Directive 2014/91/EU.

Shareholders can find more details about the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available on website <http://www.gfmanagement.lu>. A paper copy of such document is available free of charge from the Management Company upon request.

**10.11 Use of Benchmarks**

In case the Sub-Funds use a Benchmark (as "use" is defined in the Benchmark Regulation), the Benchmark will, as at the date of this Prospectus, be provided by a Benchmark Administrator who is listed in the register of benchmark administrators maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated information whether the Benchmark is provided by a Benchmark Administrator included in the ESMA register of EU Benchmark Administrators and third-country Benchmarks is available from <https://registers.esma.europa.eu/publication> (the "Register"). Unless otherwise specified within a Sub-Fund's supplement, Benchmark Administrators located in a third country whose indices are used by the Company may benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register. The Company with the assistance of the Management Company and the Investment Manager, maintains a written plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided (the "Contingency Plan"), as required by Article 28(2) of the Benchmark Regulation. Shareholders may access the Contingency Plan upon request at the registered office of the Company.

**10.12 SFDR**

Pursuant to the SFDR, it is required to disclose the manner in which Sustainability Risks are integrated into investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of each Sub-Fund. Such Sustainability Risks are integrated into investment decisions and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities relating to maximizing the long-term risk-adjusted returns. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. Such assessment of the likely impact must therefore be conducted at the portfolio level. The Management Company does not consider Principal Adverse Impacts for the Sub-Funds as they are directly considered by the Investment Manager at product level (as further explained in "Appendix 1: SFDR Disclosures").

**11. TAXATION**

**11.1 General**

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. It does not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. Shareholders should inform themselves of, and when appropriate, consult their professional advisors with regard to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur*

*le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) and personal income tax (*impôt sur le revenu*). Corporate shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

### 11.2 The Company

Under current law and practice, the Company is not liable for any Luxembourg income or net wealth tax nor are dividends paid by the Company subject to any Luxembourg withholding tax. However, in relation to all Share Classes, the Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum* of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Share Class at the end of the relevant calendar quarter. A reduced tax rate of 0.01% *per annum* of the net assets will be applicable to Share Classes which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Share Class at the end of the relevant quarter.

The aforementioned tax is not applicable to the portion of the assets of the Company invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Company except a one-off tax of EUR 75 which is paid upon incorporation. Any amendments to the Articles of Association are as a rule subject to a fixed registration duty of EUR 75.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company. Although the Company's realised capital gains, whether short term or long term, are not expected to become taxable in another country, shareholders must be aware and recognize that such a possibility is not totally excluded. The regular income of the Company from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable for withholding taxes at varying rates, which normally cannot be recovered. Withholding tax and other taxes levied at source, if any, are not recoverable. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### 11.3 Shareholders

#### 11.3.1 Luxembourg tax residency

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of its rights and obligations thereunder.

#### 11.3.2 Income tax - Luxembourg residents

Luxembourg resident shareholders are not liable for any Luxembourg income tax on reimbursement of the share capital contributed to the Company.

##### a) Luxembourg Resident Individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Participating Shares are disposed of less than six (6) months after the acquisition thereof, or if their disposal precedes their acquisition. A shareholding is considered to be a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse

or partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realisation of the gain, more than ten percent (10%) of the share capital of the Company or (ii) the shareholder acquired free of charge, within the five (5) years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

##### b) Luxembourg Resident Corporations

Luxembourg resident corporate shareholders (*sociétés de capitaux*) must include any profits derived as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual shareholders acting in the course of the management of a professional or business undertaking and who are considered Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

##### c) Luxembourg residents benefiting from a special tax regime

Luxembourg resident corporate shareholders which benefit from a special tax regime, such as (i) UCI subject to the 2010 Law, (ii) specialised investment funds governed by the law of 13 February 2007, as amended, (iii) family wealth management companies governed by the law of 11 May 2007, as amended, and (iv) reserved alternative investment funds ("RAIFs") governed by the law of 23 July 2016 and treated as a specialised investment fund for Luxembourg tax purposes are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### 11.3.3 Income tax - Luxembourg non-residents

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not subject to any income, withholding, estate, inheritance, capital gains or other taxes in Luxembourg.

Corporate shareholders that are non-residents of Luxembourg but that have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of shareholders.

Shareholders should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

#### 11.3.4 Net Wealth Tax

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii)

a UCI governed by the 2010 Law, (iii) a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (v) a specialised investment fund governed by the law of 13 February 2007, as amended, (vi) a family wealth management company governed by the law of 11 May 2007, as amended, (vii) a professional pension institution governed by the law of 13 July 2005, as amended or (viii) a RAIF governed by the law of 23 July 2016. However, (i) a securitisation company governed by the law of 22 March 2004 on securitisation, as amended (ii) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (iii) a professional pension institution governed by the law of 13 July 2005, as amended and (iv) a RAIF governed by the law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes remain subject to a minimum net wealth tax.

#### 11.3.5 Other Taxes

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance purposes. No estate or inheritance tax is levied on the transfer of Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### 11.4 VAT

The Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased outside Luxembourg. No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

#### 11.5 FATCA

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

As part of the process of implementing FATCA, Luxembourg has entered into the IGA implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified U.S. Persons and non-U.S. financial institutions that do not comply with FATCA, if any, to the Luxembourg tax authorities.

By virtue of being established in Luxembourg and subject to the supervision of the CSSF in accordance with the 2010 Law, the Company will be treated as a Foreign Financial Institution ("FFI").

However, the Company expects to be treated as a Non-Reporting FFI under the "restricted funds" category. This status implies that the Shares of the Company are to be offered, sold or otherwise transferred or held by or through FATCA Eligible Investors only which also leads to specific selling restrictions. Therefore, Shares in the Company must not be offered, sold, transferred or delivered to Ineligible Restricted Fund Investors. The term "Ineligible Restricted Fund Investors" means (i) Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA, (ii) Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA, (iii) Passive Non-Financial Foreign Entities (passive NFFEs) as defined in Annex I, Section VI (B) (3) of the IGA with one or more substantial US Owners as defined in the relevant U.S. Treasury Regulations.

In case the investors are not subscribing directly but through a Nominee, distributors acting as Nominees are required to qualify as (i) Reporting FFI, (ii) Nonreporting IGA FFI, (iii) Participating FFI, (iv) Registered Deemed Compliant FFI, (v) Non-registering Local Bank

or (vi) Restricted Distributor as defined in the FATCA Law, the IGA or the relevant U.S. Treasury Regulations, respectively. Distributors acting as Nominees are also required to notify the Company of a change in its FATCA status within 90 days of such change.

In accordance with the Restricted Fund status, the Company will not be subject to reporting obligations under FATCA.

Despite anything else herein contained and as far as permitted by Luxembourg law, the FATCA Law foresees the obligation of the Company to regularly assess the status of its shareholders. To this end, the Company will need to regularly obtain and verify information on all of its shareholders. Upon request of the Company, each shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity ("NFFE"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each investor shall agree to actively provide to the Company within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

Additionally, the Company is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

Any shareholder that fails to comply with the Company's documentation requests may be charged with any taxes imposed on the Company attributable to such shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such shareholder, in particular if such shareholder does not qualify as a FATCA Eligible Investor.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to: (i) withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company; (ii) require any investor or beneficial owner of Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by law or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Company holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

#### 11.6 CRS

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (the "CRS Law").

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in Annex I of the CRS Law, will include personal data related to the reportable persons (the "CRS Information").

The Company is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Company.

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

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Company within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to inform the Company of and provide the Company with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes within thirty (30) days. Any investor that fails to comply with the Company's CRS Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the CRS Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

**SUB-FUND SUPPLEMENT 1: 2XIDEAS UCITS – GLOBAL MID CAP LIBRARY FUND**

<p><b>Name of the Sub-Fund</b></p>	<p><b>2Xideas UCITS – Global Mid Cap Library Fund</b></p>
<p><b>1. Investment Objective</b></p>	<p>The investment objective of the 2Xideas UCITS – Global Mid Cap Library Fund is long-term capital growth.</p>
<p><b>2. Investment Policy</b></p>	<p>In order to achieve the investment objective, the Sub-Fund shall be invested in at least 70 equity securities. The investment universe comprises equity securities of mid and large cap companies listed on a regulated stock exchange. In general, these securities shall be issued by companies having a market capitalization of at least USD 2 billion (or an equivalent value in another currency). The investments may be worldwide and in any currency.</p> <p>Generally, foreign exchange risk is not hedged. The Sub-Fund may use financial derivative instruments including OTC derivatives such as currency forward contracts to hedge or reduce foreign exchange risk.</p> <p>The Sub-Fund will neither employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, nor any total return swaps for the purposes of efficient portfolio management. This Prospectus will be amended accordingly if the Company intends to make use of such techniques and instruments on behalf of the Sub-Fund.</p> <p>At all times, at least 70% of the Sub-Fund's net assets will be invested in listed equity securities.</p> <p>The Sub-Fund may hold up to 20% of its net assets in cash (i.e. deposit at sight such as cash held in current accounts with a bank accessible at any time) in accordance with section 4.1.3. of the general part of this Prospectus. In addition, the Sub-Fund may hold Money Market Instruments or money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.</p> <p>The Sub-Fund may invest up to 10% of its net assets in shares of one or several index funds or exchange traded funds ("ETF"), in order to aggregate smaller subscriptions before investing in the individual equity securities.</p> <p>The Sub-Fund is actively managed with reference to a benchmark and aims to outperform the MSCI World Mid Cap Net Return Index (the "Benchmark") over the longer term. Due to the active management process, the Sub-Fund's performance profile may deviate significantly from that of the Benchmark. The Sub-Fund invests in a subset of the Benchmark constituents, takes positions whose weightings diverge from the Benchmark weightings, and also invests in securities that are not included in the Benchmark as the Benchmark does not cover all mid cap companies, particularly not in the US equity market. The Benchmark is also used as a reference for the risk management of the Sub-Fund. The Benchmark is provided by MSCI Limited, a Benchmark Administrator within the meaning of the Benchmark Regulation, recognized as a third country Benchmark Administrator. MSCI Limited is not yet listed on the register referred to in article 36 of the Benchmark Regulation, as it is an entity located in a third country outside of the European Union (which has not yet received equivalence status as set out in article 30(1) of the Benchmark Regulation) and has not yet acquired recognition in accordance with article 32 of the Benchmark Regulation. Where Share Classes are denominated in a currency other than the Reference Currency of the Sub-Fund and are not Currency Hedged Share Classes, the Benchmark will be expressed in the respective Share Class currency. Currency Hedged Share Classes may involve hedging costs that may reduce the performance of the concerned Currency Hedged Share Class and, thus, potentially impact the results of the comparison with the Benchmark.</p>
<p><b>3. Investor Profile</b></p>	<p>The Sub-Fund is intended as an investment for investors seeking long-term capital growth. The recommended investment horizon is at least five (5) years. The Sub-Fund is only suitable for risk-oriented investors having a sufficient knowledge of listed equity securities and the ability to bear losses. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.</p>
<p><b>4. Specific Risks</b></p>	<p>Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.</p> <p><b>Market risk</b> The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends. In adverse market conditions equity securities may be subject to increased volatility which can lead to losses. In the worst case, a company could fail and investments in its equity security can become worthless.</p> <p><b>Global exposure</b> The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value. Permanent leverage is not used as part of the investment strategy. Leverage might be caused by foreign</p>



	exchange hedging transactions (currency futures/forwards), by accrued fees and expenses, or by handling subscription and redemption applications.
<b>5. Sustainability-related Disclosures</b>	<p>The Sub-Fund promotes environmental and social characteristics as defined in Article 8 of the SFDR. The 2Xideas UCITS – Global Mid Cap Library Fund promotes environmental characteristics, specifically with regard to reducing the investee companies' carbon emissions. This is measured by a metric provided by MSCI ESG Research LLC, namely the Implied Temperature Rise (ITR) of the individual companies and the ITR on portfolio level. ITR is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius, designed to show the temperature alignment of a company or portfolio with global temperature goals such as 2015 Paris Agreement.</p> <p>The medium-term target, until 2030 or sooner, of the Sub-Fund is to have a portfolio ITR of 2°C or below. This objective is conceivable because most investee companies are in the process of enhancing their emissions measurement and reduction strategies as well as their reporting capacities. The long-term target is to achieve an ITR of 1.5°C or below.</p> <p>To achieve these medium and long-term targets, the Sub-Fund targets, in the short-term, the following metric:</p> <p>A minimum of 50% of all assets in the Sub-Fund, unweighted and without taking into account any ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).</p> <p>ITR is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius (°C), that is designed to show the alignment of companies with global temperature goals. <b>More information can be found under Appendix 1 "SFDR Disclosures".</b></p>
<b>6. Reference Currency</b>	The Reference Currency of the Sub-Fund is the US Dollar (USD).
<b>7. Launch Date</b>	30 April 2018
<b>8. Share Classes</b>	The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained on website <a href="http://www.fundpublications.com">www.fundpublications.com</a> .
<b>9. Eligible Investors</b>	<p>Share Class "I USD" is reserved for Institutional Investors as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.</p> <p>The other Share Classes are open to all types of investors, including retail investors, if they match the Investor Profile and are able to bear the Specific Risks, both as described above.</p>
<b>10. Distribution Policy</b>	All Share Classes will be accumulating and the income generated will be used to increase the net asset value of the Shares after deduction of costs. Classes of Distribution Shares might be launched at a later date.
<b>11. Business Day</b>	Each day on which banks are normally open for full-day business in Luxembourg and at the same time on which the New York Stock Exchange (NYSE) is open for full-day trading.
<b>12. Valuation Day</b>	Each Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
<b>13. Calculation Day</b>	Each Business Day following a Valuation Day.
<b>14. Subscriptions</b>	Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 3:00 pm CET one (1) Business Day prior to the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 7:00 pm CET two (2) Business Days following the Subscription Day.
<b>15. Redemptions</b>	Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 3:00 pm CET one (1) Business Days prior to the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.
<b>16. Conversions</b>	Each Valuation Day is a Conversion Day. The Cut-Off Time for conversion applications is 3:00 pm CET one (1) Business Day prior to the Conversion Day. Conversion applications must be settled by the end of the Conversion Settlement Period, which is two (2) Business Days following the Conversion Day.

**Table 1: Share Classes of the 2Xideas UCITS – Global Mid Cap Library Fund**

Share Class Name	I USD	S USD	D USD
Reference Currency	USD	USD	USD
ISIN	LU1785300622	LU1785301513	LU1785301273
Initial Offer Price	USD 100.00	USD 100.00	USD 100.00
Launch Date	30 April 2018	30 April 2018	30 April 2018
Accumulation or Distribution	Accumulation	Accumulation	Accumulation
Currency Hedged Share Class	No	No	No
Minimum Subscription and Holding	USD 5,000,000	USD 5,000	USD 5,000
Minimum Additional Subscription	USD 1,000,000	USD 1,000	USD 1,000
Minimum Redemption	USD 100,000	USD 1,000	USD 1,000
All-in Fee	1.00% p.a.	1.00% p.a.	1.20% p.a.
Performance Fee	No	No	No
Anti-Dilution Levy	0.10%	0.10%	0.10%

Share Class Name	S CHF	S CHF Hedged	S EUR	S EUR Hedged	S GBP	S HKD
Reference Currency	CHF	CHF	EUR	EUR	GBP	HKD
ISIN	LU2001262208	LU2001262380	LU2001262463	LU2001262547	LU2001262620	LU2001262893
Initial Offer Price	CHF 100.00	CHF 100.00	EUR 100.00	EUR 100.00	GBP 100.00	HKD 1,000.00
Launch Date	30 August 2019	30 August 2019	30 August 2019	30 August 2019	30 August 2019	N/A
Accumulation or Distribution	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Currency Hedged Share Class	No	Yes	No	Yes	No	No
Minimum Subscription and Holding	CHF 5,000	CHF 5,000	EUR 5,000	EUR 5,000	GBP 5,000	HKD 50,000
Minimum Additional Subscription	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000	HKD 10,000
Minimum Redemption	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000	HKD 10,000
All-in Fee	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.
Performance Fee	No	No	No	No	No	No
Anti-Dilution Levy	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

**SUB-FUND SUPPLEMENT 2: 2XIDEAS UCITS – US MID CAP LIBRARY FUND**

<p><b>Name of the Sub-Fund</b></p>	<p><b>2Xideas UCITS – US Mid Cap Library Fund</b></p>
<p><b>1. Investment Objective</b></p>	<p>The investment objective of the 2Xideas UCITS – US Mid Cap Library Fund is long-term capital growth.</p>
<p><b>2. Investment Policy</b></p>	<p>In order to achieve the investment objective, the Sub-Fund shall be invested in a diversified portfolio of listed equity securities. The investment universe comprises equity securities of mid and large cap companies listed on a regulated stock exchange. In general, these securities shall be issued by companies having a market capitalization of at least USD 2 billion (or an equivalent value in another currency). The investments will be focused on US companies. A maximum of 20% of the Sub-Fund net assets can be invested in non-US companies deriving a substantial part of their revenues from the United States. Investments in companies which are included in the MSCI Emerging Market are not permitted.</p> <p>Generally, foreign exchange risk is not hedged. The Sub-Fund may use financial derivative instruments including OTC derivatives such as currency forward contracts to hedge or reduce foreign exchange risk.</p> <p>The Sub-Fund will neither employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, nor any total return swaps for the purposes of efficient portfolio management. This Prospectus will be amended accordingly if the Company intends to make use of such techniques and instruments on behalf of the Sub-Fund.</p> <p>At all times, at least 70% of the Sub-Fund's net assets will be invested in listed equity securities.</p> <p>The Sub-Fund may hold up to 20% of its net assets in cash (i.e. deposit at sight such as cash held in current accounts with a bank accessible at any time) in accordance with section 4.1.3. of the general part of this Prospectus. In addition, the Sub-Fund may hold Money Market Instruments or money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.</p> <p>The Sub-Fund may invest up to 10% of its net assets in shares of one or several index funds or exchange traded funds ("ETF"), in order to aggregate smaller subscriptions before investing in the individual equity securities.</p> <p>The Sub-Fund is actively managed with reference to a benchmark and aims to outperform the MSCI USA Mid Cap Net Return Index (the "Benchmark") over the longer term. Due to the active management process, the Sub-Fund's performance profile and portfolio composition may deviate significantly from that of the Benchmark. The Benchmark is also used as a reference for the risk management of the Sub-Fund. Where Share Classes are denominated in a currency other than the Reference Currency of the Sub-Fund and are not Currency Hedged Share Classes, the Benchmark will be expressed in the respective Share Class currency. Currency Hedged Share Classes may involve hedging costs that may reduce the performance of the concerned Currency Hedged Share Class and, thus, potentially impact the results of the comparison with the Benchmark.</p>
<p><b>3. Investor Profile</b></p>	<p>The Sub-Fund is intended as an investment for investors seeking long-term capital growth. The recommended investment horizon is at least five (5) years. The Sub-Fund is only suitable for risk-oriented investors having a sufficient knowledge of listed equity securities and the ability to bear losses. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.</p>
<p><b>4. Specific Risks</b></p>	<p>Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.</p> <p><b>Market risk</b> The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends. In adverse market conditions equity securities may be subject to increased volatility which can lead to losses. In the worst case, a company could fail and investments in its equity security can become worthless.</p> <p><b>Global exposure</b> The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value. Permanent leverage is not used as part of the investment strategy. Leverage might be caused by foreign exchange hedging transactions (currency futures/forwards), by accrued fees and expenses, or by handling subscription and redemption applications.</p>
<p><b>5. Sustainability-related Disclosures</b></p>	<p>The Sub-Fund promotes environmental and social characteristics as defined in Article 8 of the SFDR. The 2Xideas UCITS – US Mid Cap Library Fund promotes environmental characteristics, specifically with regard to reducing the investee companies' carbon emissions. This is measured by a metric provided by MSCI ESG Research LLC, namely the Implied Temperature Rise (ITR) of</p>

	<p>the individual companies and the ITR on portfolio level. ITR is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius, designed to show the temperature alignment of a company or portfolio with global temperature goals such as 2015 Paris Agreement.</p> <p>The medium-term target, until 2030 or sooner, of the Sub-Fund is to have a portfolio ITR of 2°C or below. This objective is conceivable because most investee companies are in the process of enhancing their emissions measurement and reduction strategies as well as their reporting capacities. The long-term target is to achieve an ITR of 1.5°C or below.</p> <p>To achieve these medium and long-term targets, the Sub-Fund targets, in the short-term, the following metric:</p> <p>A minimum of 50% of all assets in the Sub-Fund, unweighted and without taking into account any ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).</p> <p>ITR is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius (°C), that is designed to show the alignment of companies with global temperature goals.</p> <p><b>More information can be found under Appendix 1: "SFDR Disclosures".</b></p>
<b>6. Reference Currency</b>	The Reference Currency of the Sub-Fund is the US Dollar (USD).
<b>7. Launch Date</b>	29/09/2023
<b>8. Share Classes</b>	The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained on website <a href="http://www.fundpublications.com">www.fundpublications.com</a> .
<b>9. Eligible Investors</b>	<p>Shares Classes "P USD", "P CHF", "P CHF Hedged", "P EUR", "P EUR Hedged" and "P GBP" are reserved for investors having invested in the Sub-Funds of the Company or for investors that support the launch of the Sub-Fund. After the launch period, lasting one calendar month after the launch date, these Share Classes are only available for investors having entered into a separate agreement with the Investment Manager.</p> <p>Share Classes "I USD", "I EUR", "Z USD" and "Z EUR" are reserved for Institutional Investors as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF. Share Classes "Z USD" and "Z EUR" are available only to investors having entered into a separate agreement with the Investment Manager.</p> <p>The other Share Classes are open to all types of investors, including retail investors, if they match the Investor Profile and are able to bear the Specific Risks, both as described above.</p>
<b>10. Distribution Policy</b>	All Share Classes will be accumulating and the income generated will be used to increase the net asset value of the Shares after deduction of costs. Classes of Distribution Shares might be launched at a later date.
<b>11. Business Day</b>	Each day on which banks are normally open for full-day business in Luxembourg and at the same time on which the New York Stock Exchange (NYSE) is open for full-day trading.
<b>12. Valuation Day</b>	Each Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
<b>13. Calculation Day</b>	Each Business Day following a Valuation Day.
<b>14. Subscriptions</b>	Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 3:00 pm CET one (1) Business Day prior to the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 7:00 pm CET two (2) Business Days following the Subscription Day.
<b>15. Redemptions</b>	Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 3:00 pm CET one (1) Business Days prior to the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.
<b>16. Conversions</b>	Each Valuation Day is a Conversion Day. The Cut-Off Time for conversion applications is 3:00 pm CET one (1) Business Day prior to the Conversion Day. Conversion applications must be settled by the end of the Conversion Settlement Period, which is two (2) Business Days following the Conversion Day.

**Table 1: Share Classes of the 2Xideas UCITS – US Mid Cap Library Fund**

Before investing in a Share Class, investors should verify (i) if they meet the eligibility criteria for that Share Class (please refer to item 8 of this Sub-Fund's Supplement as well as to the table below) and (ii) if the Share Class is open.

Share Class Name	S USD	S CHF	S CHF Hedged	S EUR	S EUR Hedged	S GBP
<b>Reference Currency</b>	USD	CHF	CHF	EUR	EUR	GBP
<b>ISIN</b>	LU2616436858	LU2616437401	LU2616437583	LU2616437666	LU2616437740	LU2616437823
<b>Initial Offer Price</b>	USD 100.00	CHF 100.00	CHF 100.00	EUR 100.00	EUR 100.00	GBP 100.00
<b>Launch Date</b>	29 September 2023	29 September 2023	29 September 2023	29 September 2023	29 September 2023	29 September 2023
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Currency Hedged Share Class</b>	No	No	Yes	No	Yes	No
<b>Minimum Subscription and Holding</b>	USD 5,000	CHF 5,000	CHF 5,000	EUR 5,000	EUR 5,000	GBP 5,000
<b>Minimum Additional Subscription</b>	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000
<b>Minimum Redemption</b>	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000
<b>All-in Fee</b>	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.
<b>Performance Fee</b>	No	No	No	No	No	No
<b>Anti-Dilution Levy</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

Share Class Name	I EUR	I USD	D USD	D CHF	D CHF Hedged	D EUR	D EUR Hedged
<b>Reference Currency</b>	EUR	USD	USD	CHF	CHF	EUR	EUR
<b>ISIN</b>	LU2637054755	LU2616436775	LU2616436932	LU2616437070	LU2616437153	LU2616437237	LU2616437310
<b>Initial Offer Price</b>	EUR 100.00	USD 100.00	USD 100.00	CHF 100.00	CHF 100.00	EUR 100.00	EUR 100.00
<b>Launch Date</b>	N/A	N/A	25 March 2024	N/A	N/A	N/A	N/A
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Currency Hedged Share Class</b>	No	No	No	No	Yes	No	Yes
<b>Minimum Subscription and Holding</b>	EUR 5,000,000	USD 5,000,000	USD 5,000	CHF 5,000	CHF 5,000	EUR 5,000	EUR 5,000
<b>Minimum Additional Subscription</b>	EUR 1,000,000	USD 1,000,000	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000
<b>Minimum Redemption</b>	EUR 100,000	USD 100,000	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000
<b>All-in Fee</b>	1.00% p.a.	1.00% p.a.	1.50% p.a.	1.50% p.a.	1.50% p.a.	1.50% p.a.	1.50% p.a.
<b>Performance Fee</b>	No	No	No	No	No	No	No
<b>Anti-Dilution Levy</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

## 2Xideas UCITS

Share Class Name	Z EUR	Z USD
Reference Currency	EUR	USD
ISIN	LU2637054839	LU2616438045
Initial Offer Price	EUR 100.00	USD 100.00
Launch Date	N/A	N/A
Accumulation or Distribution	Accumulation	Accumulation
Currency Hedged Share Class	No	No
Minimum Subscription and Holding	EUR 25,000,000	USD 25,000,000
Minimum Additional Subscription	EUR 1,000,000	USD 1,000,000
Minimum Redemption	EUR 100,000	USD 100,000
All-in Fee	<p>The All-in Fee equals to all costs and expenses accrued or paid as described in section 9.1.2 to 9.1.8 and is capped at 0.20% p.a.</p> <p>The Investment Manager Fee is 0% at class level.</p> <p>Z Shares are available only to investors having entered into a separate agreement with the Investment Manager.</p>	<p>The All-in Fee equals to all costs and expenses accrued or paid as described in section 9.1.2 to 9.1.8 and is capped at 0.20% p.a.</p> <p>The Investment Manager Fee is 0% at class level.</p> <p>Z Shares are available only to investors having entered into a separate agreement with the Investment Manager.</p>
Performance Fee	No	No
Anti-Dilution Levy	0.10%	0.10%

Share Class Name	P USD	P CHF	P CHF Hedged	P EUR	P EUR Hedged	P GBP
Reference Currency	USD	CHF	CHF	EUR	EUR	GBP
ISIN	LU2679064241	LU2679064324	LU2694994513	LU2679064597	LU2694994604	LU2679064670
Initial Offer Price	USD 100.00	CHF 100.00	CHF 100.00	EUR 100.00	EUR 100.00	GBP 100.00
Launch Date	29 September 2023	29 September 2023	N/A	29 September 2023	N/A	29 September 2023
Accumulation or Distribution	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Currency Hedged Share Class	No	No	Yes	No	Yes	No
Minimum Subscription and Holding	USD 5,000	CHF 5,000	CHF 5,000	EUR 5,000	EUR 5,000	GBP 5,000
Minimum Additional Subscription	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000
Minimum Redemption	USD 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000	GBP 1,000
All-in Fee	0.80% p.a.	0.80% p.a.	0.80% p.a.	0.80% p.a.	0.80% p.a.	0.80% p.a.

## 2Xideas UCITS

	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.	P Shares are available only to investors supporting the launch of the Sub-Fund or having entered into a separate agreement with the Investment Manager in consideration of their significant investment in the Sub-Funds of the Company.
<b>Performance Fee</b>	No	No	No	No	No	No
<b>Anti-Dilution Levy</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%



APPENDIX 1: SFDR DISCLOSURES

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: 2Xideas UCITS – Global Mid Cap Library Fund

Legal entity identifier: 254900PBI50OFUBJEY35

Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective**: \_\_\_%

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The 2Xideas UCITS – Global Mid Cap Library Fund promotes environmental characteristics, specifically with regard to reducing the investee companies’ carbon emissions. This is measured by a metric provided by MSCI ESG Research, namely the Implied Temperature Rise (ITR) of the individual companies and the ITR on portfolio level. ITR is a forward-looking metric defined by MSCI ESG Research LLC<sup>1</sup>, expressed in degrees Celsius, designed to show the temperature alignment of a company or portfolio with global temperature goals such as the 2015 Paris Agreement.

The medium-term target, until 2030 or sooner, of the Sub-Fund is to have a portfolio ITR of 2°C or below. This objective is conceivable because most investee companies are in the process of enhancing their emissions measurement and reduction strategies as well as their reporting capacities.

The long-term target is to achieve an ITR of 1.5°C or below.

To achieve these medium and long-term targets, the Sub-Fund targets, in the short-term, the following metric:

A minimum of 50% of all assets in the Sub-Fund, unweighted and without taking into account any ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).

<sup>1</sup> <https://www.msci.com/documents/10199/7118a4c1-e446-ffa8-87f2-f4d6d2d07d36>

There is no designated reference benchmark.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Investment Manager monitors on a continuous basis the environmental characteristics and the sustainability indicators. It uses the ITR, which is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius (°C), that is designed to show the alignment of companies with global temperature goals by the year 2100. MSCI ESG Research LLC uses companies' current emissions and reported emissions reduction targets and projects an absolute emissions timeseries for each company until 2050 for Scopes 1, 2 and 3 emissions. This quantitative measure is updated at least quarterly in the investment managers' internal research platform. The following sustainability-related metrics will be disclosed in the annual report of the fund:

- Implied Temperature Rise (ITR) on the asset level, in ranges.
- ITR on the portfolio level.
- Percentage of investee companies, unweighted and without taking into account any ETF exposure, with targets consistent with the Science Based Targets initiative (SBTi).

The Investment Manager will disclose the corresponding percentage of the directly invested portfolio companies, unweighted and without taking into account any ETF exposure, in the Annual Report for the following ranges:

- ITR <=1.5°C
- ITR >1.5°C, <=2.0°C
- ITR >2.0°C, <=2.5°C
- ITR >2.5°C, <=3.0°C
- ITR > 3.0°C

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**

- ✘ Yes, 2Xideas AG ("2Xideas"), as the Investment Manager of the 2Xideas UCITS – Global Mid Cap Library Fund, considers principle adverse impacts on Sustainability Factors for direct investments. The consideration of Principal Adverse Impacts (PAI) for indirect investments depends on the quality of implementation of the provider.

By integrating sustainability into its business strategy, 2Xideas has committed itself to the systematic and comprehensive consideration of climate and sustainability aspects in its business activities. Therefore, 2Xideas has incorporated the systematic consideration of PAI as defined in the SFDR, into its investment processes.



### Environmental PAI

- PAI 1 – Greenhouse Gas Emissions: GHG emissions in metric tons of CO<sub>2</sub>, weighted by the portfolio's value of investment in a company and by the company's enterprise value including cash. The GHG emissions are measured in four categories: Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions, e.g., in embedded in the electricity consumed by a company), Scope 3 (indirect emissions resulting from activities in a company's upstream and downstream value chain).
- PAI 2 – Carbon Footprint: Total GHG emissions in metric tons of CO<sub>2</sub>, weighted by the portfolio's value of investment in a company and by the company's enterprise value including cash, adjusted to show the emissions associated with EUR 1mn invested in the portfolio.
- PAI 3 – GHG intensity of investee companies: Portfolio weighted average of companies' total GHG Emissions Intensity per EUR 1mn in revenue.
- PAI 4 – Investments in companies without carbon reduction initiatives: Share of investments in investee companies without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement.
- PAI 5 – Exposure to companies active in the fossil fuel sector: Share of investments in companies active in the fossil fuel sector.
- PAI 6 – Share of non-renewable energy consumption and production: Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, expressed as a percentage.
- PAI 7 – Energy consumption intensity per high impact climate sector: Energy consumption in GWh per EUR 1mn of revenue of investee companies, measured per high impact climate sector.
- PAI 8 – Activities negatively affecting biodiversity-sensitive areas: Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.
- PAI 9 – Emissions to water: Tons of emissions to water generated by investee companies per EUR 1mn invested, expressed as a weighted average.
- PAI 10 – Hazardous waste ratio: Tons of hazardous waste generated by investee companies per EUR 1mn invested, expressed as a weighted average.

### Social PAI

- PAI 11 – Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: Share of Investments in investee companies that have been involved in violations of the UNGC principles for OECD Guidelines for Multinational Enterprises.
- PAI 12 – Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises: Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
- PAI 13 – Unadjusted gender pay gap: Average unadjusted gender pay gap of investee companies.
- PAI 14 – Board gender diversity: Average ratio of female to male board members in investee companies.
- PAI 15 – Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons): Share of investments in investee companies involved in the manufacture or selling of controversial weapons.
- PAI 16 – Lack of supplier code of conduct: Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour).

2Xideas considers PAI in three different stages of its investment process:

1. Universe exclusions: PAI 11 has a strict exclusion criteria for companies found in breach of those mentioned standards. PAI 15 has a 0% revenue threshold. PAI 11, and 15 are part of the norms-based exclusions that 2Xideas uses to remove certain non-compliant companies from its investment universe. Companies that exceed the threshold level on any of these PAI are therefore not eligible for investment.
2. Company-specific thresholds: At the start of our fundamental research activities with respect to a target company, the responsible analyst must complete a checklist that contains, amongst other items, the PAI under consideration. For each PAI, the analyst must confirm that the company does not exceed a defined threshold. These thresholds are set by the Sustainability Committee and reviewed annually. The thresholds vary for each sector, depending on the exposure to certain industries.

If one or several thresholds are not met, the analyst must specifically comment on why the target company should still be considered as a potential investment. The decision to commence the

research activities rests with the respective Sector Group. The decision of whether a company does become eligible for investment rests with the Investment Decision Committee, which will explicitly consider PAI threshold breaches as a negative data point in its decision.

The Sustainability Committee reviews the full list of companies eligible for investment on a quarterly basis and decides on the eligibility of companies with significantly negative developments in any of the PAI under consideration. If for any of the companies that are eligible for investment a negative PAI development leads to a breach of the defined threshold levels, 2Xideas engages with the company with the aim to rectify the breach.

3. Portfolio construction: For investment products that explicitly consider the PAI on a portfolio level, a weighted budget approach is used. These thresholds are set by the Sustainability Committee on a product-by-product basis and are reviewed annually. The respective portfolios are constantly monitored for breaches of the PAI threshold levels. A breach of a PAI threshold triggers a portfolio review. The Investment Decision Committee may choose not to act on a breached PAI threshold if no suitable investment alternatives are deemed to be available. This decision must be documented.

A so called "PAI-Card" with the respective thresholds can be found on our website disclosure (see link provided below).

Information on how principal adverse impacts on Sustainability Factors were considered will be made available in the periodic reporting of the Sub-Fund.

No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**What investment strategy does this financial product follow?**

The Investment Manager considers Sustainability Factors at four stages in its investment process:

1. Investment universe exclusions: The Investment Manager uses norms-based and values-based exclusions to limit the universe of investable companies. The Sustainability Committee of the Investment Manager reviews the exclusion criteria on an annual basis and revises it where warranted. The exclusions are applied on a weekly basis to define the investment universe. The current exclusion criteria are as set forth in the question below.
2. Fundamental analysis: As part of the fundamental research process, the Investment Manager considers Sustainability Factors amongst a multitude of other factors. Various Environmental, Social and Governance indicators as measured for example by the ITR metric, and the principal adverse impacts, are used to determine the fundamental characteristics of a company.
3. Ongoing monitoring: The Investment Manager is monitoring sustainability-related developments for all companies that are eligible for investment on an ongoing basis. Changes in ESG ratings, new controversies, and updates to controversies are flagged and subsequently analysed. If warranted, the Investment Manager engages with a company based on the result of the analysis.
4. Engagement policy: As part of the engagement on Sustainability Factors, the Investment Manager urges companies to report transparently on emissions and climate change risks, preferably along the Task Force on Climate-Related Financial Disclosures (TCFD) framework. If warranted, the Investment Manager engages with investee companies with an ITR above 2.0°C with the goal of reducing their ITR.

The Investment Manager also encourages investee companies to set targets in line with the Science Based Targets initiative (SBTi). If warranted, the Investment Manager engages with investee companies that have not set themselves targets consistent with the Science Based Targets initiative with the goal of having them commit to such targets.

The Investment Manager logs and analyses every interaction with target investee companies, as well as monitoring and reviewing engagement outcomes. Where necessary, the Investment Manager revises the objectives and approaches a company's management again. If an engagement does not lead to a satisfying result the Investment Manager may divest if no improvement is to be expected.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

To achieve the medium and long-term targets of the Sub-Fund explained in the first section, the Sub-Fund uses, in the short-term, the two following binding elements:

1. A minimum of 50% of all assets in the Sub-Fund, unweighted and without taking into account any ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).
2. The Sub-Fund excludes any issuers that fail one or more of the norms-based or values-based criteria. The current exclusion criteria are as follows:

Norms-based exclusions:

All companies that fail at least one of the Guiding Principles as defined in UN Global Compact Compliance, UN Human Rights Compliance, or ILO Labor Compliance (Core and Broad).

All companies having any ties with nuclear weapons.

All companies having any ties with controversial weapons.

Values-based exclusions:

Civilian firearms

All civilian firearms producers.

Companies deriving 5% or more of revenues from the distribution of firearms and ammunition intended for civilian use.

Conventional weapons

Companies deriving 5% or more of revenues from the production of conventional weapons.

Companies deriving 10% or more of revenues from weapons systems, components, and support systems and services.

Tobacco

All tobacco producers.

Companies deriving 5% or more of revenues from the distribution, retail, and supply of tobacco-related products.

Adult entertainment

Companies deriving 5% or more of revenues from the production of adult entertainment materials. Companies deriving 15% or more of revenues from the production, distribution, retail, and supply of adult entertainment materials.

Gambling

Companies deriving 5% or more of revenues from ownership or operation of gambling-related business activities.

Companies deriving 15% or more of revenues from gambling-related business activities.

Thermal coal

Companies deriving 5% or more of revenues from the mining of thermal coal and its sale to external parties.

Companies deriving 5% or more of revenues from thermal coal-based power generation. Companies generating more than 10% of total electricity from thermal coal.

Nuclear power

Companies deriving 15% or more of revenues from nuclear power activities.

Companies that have 5% or more of installed capacity attributed to nuclear sources.

Companies generating 5% or more of total electricity from nuclear power.

Unconventional oil & gas

Companies deriving 5% or more of revenues from unconventional oil & gas.

Oil sands

Companies deriving 5% or more of revenues from oil sands extraction.

Conventional oil & gas

Companies deriving any revenues from extraction & production of oil & gas, unless 40% of revenues are derived from alternative fuels.

Oil & gas-based power generation

Companies deriving 30% or more of revenues from liquid fuel and natural gas-based power generation.

Thermal coal reserves

All companies owning reserves in thermal coal while deriving revenues from thermal coal mining.

Oil sands reserves

All companies owning reserves in oil sands while deriving revenue from oil sand extraction.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the fundamental research, the Investment Manager assesses the board and management structures, human capital development, remuneration and other corporate governance metrics. Through the integration of principal adverse impacts, the Investment Managers ensures that the companies on individual level and the Sub-Fund with a weighted portfolio approach lie within the expected threshold for governance related metrics (social PAI as listed above). Where a controversy is revealed and if warranted, the Investment Manager engages with the company and may divest if no improvement is to be expected. Proxy voting is executed along a sustainability benchmark provided by the proxy voting service.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

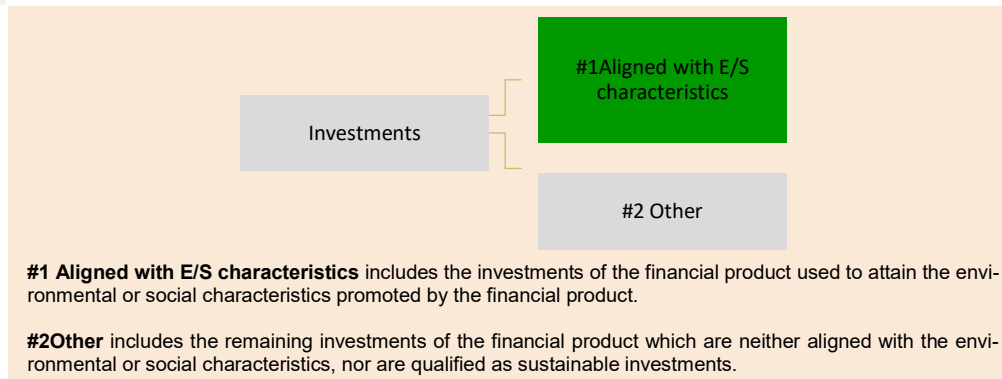
**What is the asset allocation planned for this financial product?**

The Sub-Fund is expected to invest at least 70% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

The Sub-Fund is allowed to invest up to 30% of its NAV in cash (ancillary liquid assets), in Money Market Instruments or money market funds and/or in exchange traded funds in aggregate (the holding of cash being limited to 20% of the Sub-Fund's NAV)(#2 Other).



**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund promotes environmental characteristics. As it does not aim to make sustainable investments, its commitment to make "sustainable investments" within the meaning of the EU Taxonomy is set at 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

Yes:

In fossil gas  In nuclear energy

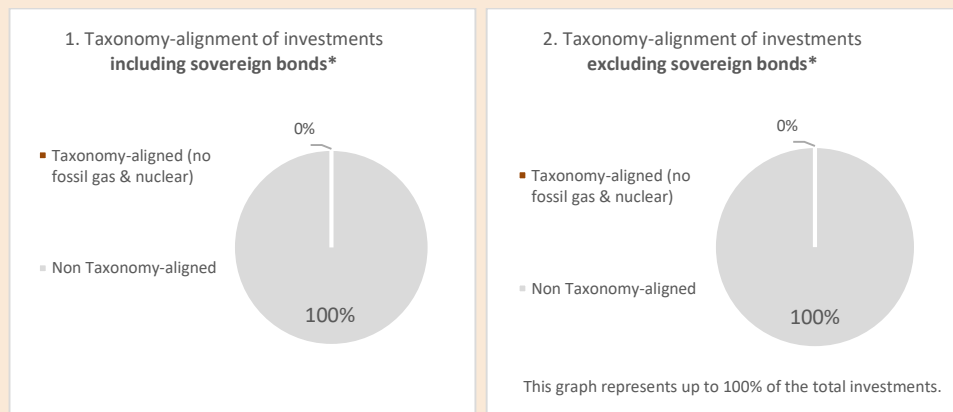
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

The Sub-Fund does not intend to invest in environmentally sustainable investments (including transitional and enabling activities), as defined by the EU Taxonomy. Therefore, its minimum share of investments in transitional and enabling activities is set at 0%.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Sub-Fund may hold cash, Money Market Instruments or money market funds and/or invest in an exchange traded fund for liquidity management purposes. For the cash holdings no environmental or social safeguards are applied. The exchange traded fund is a passive tracker of an SRI index which fulfils the exclusion criteria set for the Sub-Fund.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://2xideas.com/en/investment/library-strategy/?tab=sustainability>



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** 2Xideas UCITS – US Mid Cap Library Fund

**Legal entity identifier:** 2549004LU31H1164GB91

**Environmental and/or social characteristics**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

**Yes**
 **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

The 2Xideas UCITS – US Mid Cap Library Fund promotes environmental characteristics, specifically with regard to reducing the investee companies' carbon emissions. This is measured by a metric provided by MSCI ESG Research, namely the Implied Temperature Rise (ITR) of the individual companies and the ITR on portfolio level. ITR is a forward-looking metric defined by MSCI ESG Research LLC<sup>3</sup>, expressed in degrees Celsius, designed to show the temperature alignment of a company or portfolio with global temperature goals such as the 2015 Paris Agreement.

The medium-term target, until 2030 or sooner of the Sub-Fund is to have a portfolio ITR of 2°C or below. This objective is conceivable because most investee companies are in the process of enhancing their emissions measurement and reduction strategies as well as their reporting capacities.

The long-term target is to achieve an ITR of 1.5°C or below.

To achieve these medium and long-term targets, the Sub-Fund targets, in the short-term, the following metric:

<sup>3</sup> <https://www.msci.com/documents/10199/7118a4c1-e446-ffa8-87f2-f4d6d2d07d36>

A minimum of 50% of all assets in the Sub-Fund, unweighted and without taking into account any ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).

There is no designated reference benchmark.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Investment Manager monitors on a continuous basis the environmental characteristics and the sustainability indicators. It uses the ITR, which is a forward-looking metric defined by MSCI ESG Research LLC, expressed in degrees Celsius (°C), that is designed to show the alignment of companies with global temperature goals by the year 2100. MSCI ESG Research LLC uses companies' current emissions and reported emissions reduction targets and projects an absolute emissions timeseries for each company until 2050 for Scopes 1, 2 and 3 emissions. This quantitative measure is updated at least quarterly in the investment managers' internal research platform. The following sustainability-related metrics will be disclosed in the annual report of the fund:

- Implied Temperature Rise (ITR) on the asset level, in ranges.
- ITR on the portfolio level.
- Percentage of investee companies, unweighted and without taking into account any ETF exposure, with targets consistent with the Science Based Targets initiative (SBTi).

The Investment Manager will disclose the corresponding percentage of the directly invested portfolio companies, unweighted and without taking into account any ETF exposure, in the Annual Report for the following ranges:

- ITR <=1.5°C
- ITR >1.5°C, <=2.0°C
- ITR >2.0°C, <=2.5°C
- ITR >2.5°C, <=3.0°C
- ITR > 3.0°C

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

- ✘ Yes, 2Xideas AG (“2Xideas”), as the Investment Manager of the 2Xideas UCITS – US Mid Cap Library Fund, considers principle adverse impacts on Sustainability Factors for direct investments. The consideration of Principal Adverse Impacts (PAI) for indirect investments depends on the quality of implementation of the provider.

By integrating sustainability into its business strategy, 2Xideas has committed itself to the systematic and comprehensive consideration of climate and sustainability aspects in its business activities. Therefore, 2Xideas has incorporated the systematic consideration of PAI as defined in the SFDR, into its investment processes.

### Environmental PAI

- PAI 1 – Greenhouse Gas Emissions: GHG emissions in metric tons of CO<sub>2</sub>, weighted by the portfolio’s value of investment in a company and by the company’s enterprise value including cash. The GHG emissions are measured in four categories: Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions, e.g., in embedded in the electricity consumed by a company), Scope 3 (indirect emissions resulting from activities in a company’s upstream and downstream value chain).
- PAI 2 – Carbon Footprint: Total GHG emissions in metric tons of CO<sub>2</sub>, weighted by the portfolio’s value of investment in a company and by the company’s enterprise value including cash, adjusted to show the emissions associated with EUR 1mn invested in the portfolio.
- PAI 3 – GHG intensity of investee companies: Portfolio weighted average of companies’ total GHG Emissions Intensity per EUR 1mn in revenue.
- PAI 4 – Investments in companies without carbon reduction initiatives: Share of investments in investee companies without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement.
- PAI 5 – Exposure to companies active in the fossil fuel sector: Share of investments in companies active in the fossil fuel sector.
- PAI 6 – Share of non-renewable energy consumption and production: Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, expressed as a percentage.
- PAI 7 – Energy consumption intensity per high impact climate sector: Energy consumption in GWh per EUR 1mn of revenue of investee companies, measured per high impact climate sector.
- PAI 8 – Activities negatively affecting biodiversity-sensitive areas: Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.
- PAI 9 – Emissions to water: Tons of emissions to water generated by investee companies per EUR 1mn invested, expressed as a weighted average.
- PAI 10 – Hazardous waste ratio: Tons of hazardous waste generated by investee companies per EUR 1mn invested, expressed as a weighted average.

### Social PAI

- PAI 11 – Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: Share of Investments in investee companies that have been involved in violations of the UNGC principles for OECD Guidelines for Multinational Enterprises.
- PAI 12 – Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises: Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
- PAI 13 – Unadjusted gender pay gap: Average unadjusted gender pay gap of investee companies.
- PAI 14 – Board gender diversity: Average ratio of female to male board members in investee companies.
- PAI 15 – Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons): Share of investments in investee companies involved in the manufacture or selling of controversial weapons.
- PAI 16 – Lack of supplier code of conduct: Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour).

2Xideas considers PAI in three different stages of its investment process:

1. **Universe exclusions:** PAI 11 has a strict exclusion criteria for companies found in breach of those mentioned standards. PAI 15 has a 0% revenue threshold. PAI 11, and 15 are part of the norms-based exclusions that 2Xideas uses to remove certain non-compliant companies from its investment universe. Companies that exceed the threshold level on any of these PAI are therefore not eligible for investment.
2. **Company-specific thresholds:** At the start of our fundamental research activities with respect to a target company, the responsible analyst must complete a checklist that contains, amongst other items, the PAIs under consideration. For each PAI, the analyst must confirm that the company does not exceed a defined threshold. These thresholds are set by the Sustainability Committee and reviewed annually. The thresholds vary for each sector, depending on the exposure to certain industries.

If one or several thresholds are not met, the analyst must specifically comment on why the target company should still be considered as a potential investment. The decision to commence the research activities rests with the respective Sector Group. The decision of whether a company does become eligible for investment rests with the Investment Decision Committee, which will explicitly consider PAI threshold breaches as a negative data point in its decision.

The Sustainability Committee reviews the full list of companies eligible for investment on a quarterly basis and decides on the eligibility of companies with significantly negative developments in any of the PAI under consideration. If for any of the companies that are eligible for investment a negative PAI development leads to a breach of the defined threshold levels, 2Xideas engages with the company with the aim to rectify the breach.

3. **Portfolio construction:** For investment products that explicitly consider the PAI on a portfolio level, a weighted budget approach is used. These thresholds are set by the Sustainability Committee on a product-by-product basis and are reviewed annually. The respective portfolios are constantly monitored for breaches of the PAI threshold levels. A breach of a PAI threshold triggers a portfolio review. The Investment Decision Committee may choose not to act on a breached PAI threshold if no suitable investment alternatives are deemed to be available. This decision must be documented.

A so called "PAI-Card" with the respective thresholds can be found on our website disclosure (see link provided below).

Information on how principal adverse impacts on Sustainability Factors were considered will be made available in the periodic reporting of the Sub-Fund.

No



### What investment strategy does this financial product follow?

The Investment Manager considers Sustainability Factors at four stages in its investment process:

1. **Investment universe exclusions:** The Investment Manager uses norms-based and values-based exclusions to limit the universe of investable companies. The Sustainability Committee of the Investment Manager reviews the exclusion criteria on an annual basis and revises it where warranted. The exclusions are applied on a weekly basis to define the investment universe. The current exclusion criteria are as set forth in the question below.
2. **Fundamental analysis:** As part of the fundamental research process, the Investment Manager considers Sustainability Factors amongst a multitude of other factors. Various Environmental, Social and Governance indicators as measured for example by the ITR metric, and the principal adverse impacts, are used to determine the fundamental characteristics of a company.
3. **Ongoing monitoring:** The Investment Manager is monitoring sustainability-related developments for all companies that are eligible for investment on an ongoing basis. Changes in ESG ratings, new controversies, and updates to controversies are flagged and subsequently analysed. If warranted, the Investment Manager engages with a company based on the result of the analysis.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

4. Engagement policy: As part of the engagement on Sustainability Factors, the Investment Manager urges companies to report transparently on emissions and climate change risks, preferably along the Task Force on Climate-Related Financial Disclosures (TCFD) framework. If warranted, the Investment Manager engages with investee companies with an ITR above 2.0°C with the goal of reducing their ITR.

The Investment Manager also encourages investee companies to set targets in line with the Science Based Targets initiative (SBTi). If warranted, the Investment Manager engages with investee companies that have not set themselves targets consistent with the Science Based Targets initiative with the goal of having them commit to such targets.

The Investment Manager logs and analyses every interaction with target investee companies, as well as monitoring and reviewing engagement outcomes. Where necessary, the Investment Manager revises the objectives and approaches a company's management again. If an engagement does not lead to a satisfying result the Investment Manager may divest if no improvement is to be expected.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

To achieve the medium and long-term targets of the Sub-Fund explained in the first section, the Sub-Fund uses, in the short-term, the two following binding elements:

1. A minimum of 50% of all assets, unweighted and without taking into account ETF exposure, shall exhibit an ITR of 2.5°C or below (rounded to one digit).
2. The Sub-Fund excludes any issuers that fail one or more of the norms-based or values-based criteria. The current exclusion criteria are as follows:

Norms-based exclusions:

All companies that fail at least one of the Guiding Principles as defined in UN Global Compact Compliance, UN Human Rights Compliance, or ILO Labor Compliance (Core and Broad).

All companies having any ties with nuclear weapons.

All companies having any ties with controversial weapons.

Values-based exclusions:

Civilian firearms

All civilian firearms producers.

Companies deriving 5% or more of revenues from the distribution of firearms and ammunition intended for civilian use.

Conventional weapons

Companies deriving 5% or more of revenues from the production of conventional weapons.

Companies deriving 10% or more of revenues from weapons systems, components, and support systems and services.

Tobacco

All tobacco producers.

Companies deriving 5% or more of revenues from the distribution, retail, and supply of tobacco-related products.

Adult entertainment

Companies deriving 5% or more of revenues from the production of adult entertainment materials.

Companies deriving 15% or more of revenues from the production, distribution, retail, and supply of adult entertainment materials.

Gambling

Companies deriving 5% or more of revenues from ownership or operation of gambling-related business activities.

Companies deriving 15% or more of revenues from gambling-related business activities.

Thermal coal

Companies deriving 5% or more of revenues from the mining of thermal coal and its sale to external parties.

Companies deriving 5% or more of revenues from thermal coal-based power generation. Companies generating more than 10% of total electricity from thermal coal.

Nuclear power

Companies deriving 15% or more of revenues from nuclear power activities.

Companies that have 5% or more of installed capacity attributed to nuclear sources.

Companies generating 5% or more of total electricity from nuclear power.

Unconventional oil & gas

Companies deriving 5% or more of revenues from unconventional oil & gas.

Oil sands

Companies deriving 5% or more of revenues from oil sands extraction.

Conventional oil & gas

Companies deriving any revenues from extraction & production of oil & gas, unless 40% of revenues are derived from alternative fuels.

Oil & gas-based power generation

Companies deriving 30% or more of revenues from liquid fuel and natural gas-based power generation.

Thermal coal reserves

All companies owning reserves in thermal coal while deriving revenues from thermal coal mining.

Oil sands reserves

All companies owning reserves in oil sands while deriving revenue from oil sand extraction.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the fundamental research, the Investment Manager assesses the board and management structures, human capital development, remuneration and other corporate governance metrics. Through the integration of principal adverse impacts, the Investment Managers ensures that the companies on individual level and the Sub-Fund with a weighted portfolio approach lie within the expected threshold for governance related metrics (social PAI's as listed above). Where a controversy is revealed and if warranted, the Investment Manager engages with the company and may divest if no improvement is to be expected. Proxy voting is executed along a sustainability benchmark provided by the proxy voting service.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**What is the asset allocation planned for this financial product?**

The Sub-Fund is expected to invest at least 70% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

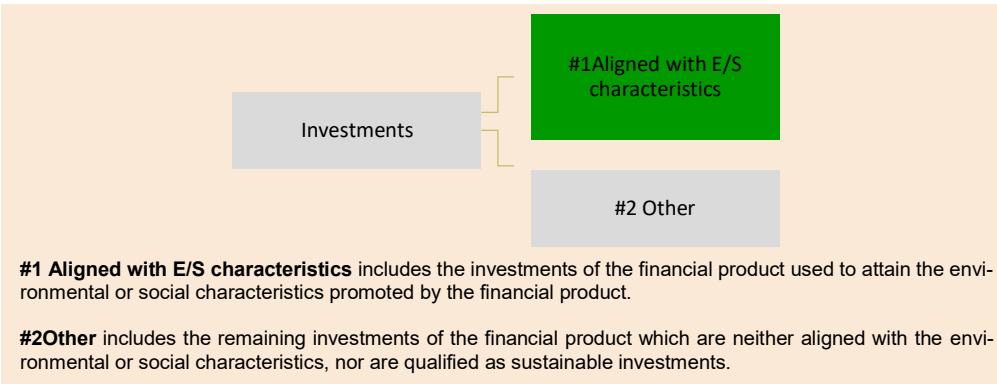
The Sub-Fund is allowed to invest up to 30% of its NAV in cash (ancillary liquid assets), in Money Market Instruments or money market funds and/or in exchange traded funds in aggregate (the holding of cash being limited to 20% of the Sub-Fund's NAV) (#2 Other).



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund promotes environmental characteristics. As it does not aim to make sustainable investments, its commitment to make "sustainable investments" within the meaning of the EU Taxonomy is set at 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?**

Yes:

In fossil gas     In nuclear energy

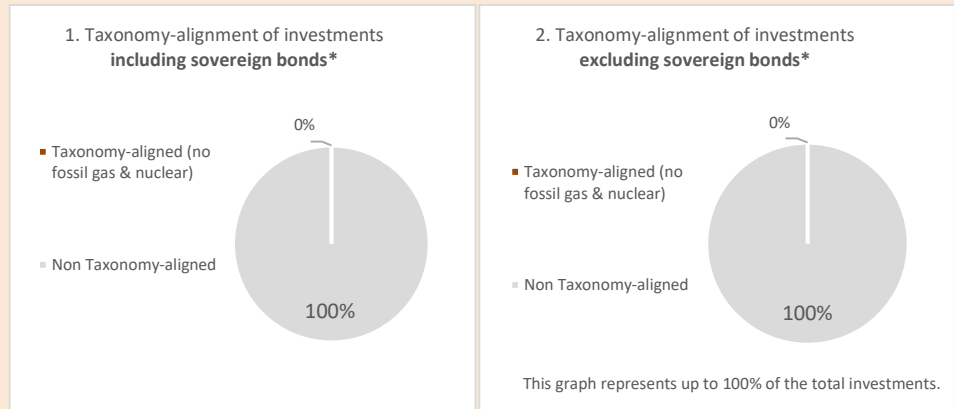
No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

The Sub-Fund does not intend to invest in environmentally sustainable investments (including transitional and enabling activities), as defined by the EU Taxonomy. Therefore, its minimum share of investments in transitional and enabling activities is set at 0%.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Sub-Fund may hold cash, Money Market Instruments or money market funds and/or invest in an exchange traded fund for liquidity management purposes. For the cash holdings no environmental or social safeguards are applied. The exchange traded fund is a passive tracker of an SRI index which fulfils the exclusion criteria set for the Sub-Fund.





**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://2xideas.com/en/investment/us-library-strategy/?tab=sustainability>

**ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

Notice for investors in the Federal Republic of Germany pursuant to Sec. 293 para. 1 No. 3 German Investment Code (Kapitalanlage-gesetzbuch; "KAGB").

This section contains additional information for investors who are resident in the Federal Republic of Germany. This Country Supplement forms part of and is to be read in conjunction with the Prospectus of 2Xideas UCITS (the "Fund"), dated September 2023. This Country Supplement amends the Table of Contents in the Prospectus for the Fund such that reference is specifically made to this Country Supplement.

**1. Distribution in the Federal Republic of Germany**

The Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) has been notified pursuant to Section 310 German Investment Code of the Fund's intention to distribute Units of its Sub-Funds in the Federal Republic of Germany.

For the following Sub-Funds of 2Xideas UCITS a notification pursuant to Sec. 310 German Investment Code has been conducted:

- **2Xideas UCITS – Global Mid Cap Library Fund**
- **2Xideas UCITS – US Mid Cap Library Fund**

Shares of these Sub-Funds may therefore be distributed to investors in the Federal Republic of Germany.

**2. Facilities provided for the performance of the tasks referred to in Art. 92 para. 1 of Directive 2009/65/EC as amended by Directive (EU) 2019/1160**

The following task is performed by Northern Trust Global Services SE 10, rue du Château d'Eau L-3364 Leudelange Grand Duchy of Luxembourg:

- a) process subscription, repurchase and redemption orders and make other payments to unitholders relating to the units of the UCITS

In addition, the following tasks are performed by Acolin Europe AG, Line-Eid-Strasse 6, 78467 Konstanz:

- a) provide investors with information on how orders can be made and how repurchase and redemption proceeds are paid;
- b) facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to the investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed;
- c) make the information and documents required pursuant to Chapter IX of Directive 2009/65/EC available to investors under the conditions laid down in Article 94, for the purposes of inspection and obtaining copies thereof;
- d) provide investors with information relevant to the tasks that the facilities perform in a durable medium;

The Prospectus, the Packaged Retail and Insurance-based Investment Products Key Information Documents (PRIIPs KIDs), the Memorandum and Articles of Association, the Annual and Semi-Annual Reports can be obtained free of charge in paper form at the office of the Acolin Europe AG or requested electronically at [facilityagent@acolin.com](mailto:facilityagent@acolin.com) / [www.acolin.com/services/facilities-agency-services](http://www.acolin.com/services/facilities-agency-services).

In addition, the issue, conversion and redemption prices as well as any other information and documents which are required to be published in the home member state of the funds are available free of charge from the Acolin Europe AG.

**3. Redemption and conversion requests; payments**

Requests for the redemption and conversion of shares that may be distributed in Germany may be submitted to the registered office of the Administrator Northern Trust Global Services SE 10, rue du Château d'Eau L-3364 Leudelange Grand Duchy of Luxembourg or electronically via email to [2XIDEAS-TA-LUX@ntrs.com](mailto:2XIDEAS-TA-LUX@ntrs.com).

All payments to investors in Germany (redemption proceeds, any disbursements, or other payments) may be remitted via the credit institutions holding their securities account in the Federal Republic of Germany.

**4. Publication of prices**

Any other documents and information in respect of the Fund and/or the Sub-Funds which must be published under Luxembourg law will be published in Germany on [www.fundpublications.com](http://www.fundpublications.com).

In accordance with § 298 (2) of the German Investment Code investors in Germany shall be informed by way of a durable medium and a publication on the website [www.fundpublications.com](http://www.fundpublications.com) under the following circumstances:

- suspension of the redemption of a Sub-Fund's Units,
- termination of the management or winding-up of a Sub-Fund,
- amendments to the terms and conditions which are inconsistent with the previous investment principles, which affect material investor rights, or which relate to remuneration and reimbursements of expenses that may be paid out of a Sub-Fund,
- merger of Sub-Funds in form of merger information, which must be prepared according to Article 43 of the Directive 2009/65/EC,
- conversion of a Sub-Fund to a feeder fund or the changes to a master fund in form of information, which must be prepared according to Article 64 of the Directive 2009/65/EC.

**5. Tax Information in the Federal Republic of Germany**

Prospective investors are advised to seek independent professional advice concerning possible taxation of purchasing, holding or selling of the Shares.