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L'apposition du visa ne peut en aucun cas servir

d'argument de publicité

Luxembourg, le 2020-02-03

Commission de Surveillance du Secteur Financier



# Prospectus

## FINLABO INVESTMENTS SICAV

An Investment Company with variable capital in transferable securities

("SICAV" governed by Luxembourg law)

Subscriptions may only be received on the basis of this prospectus. The last available annual report and additionally the latest half-yearly report are available at the registered office of the Fund.

**March 2020**

FINLABO INVESTMENTS SICAV (the "Fund") is registered under Part I of the Luxembourg law of 17<sup>th</sup> December 2010 on collective investment undertakings, as amended (the "2010 Law").

The shares have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law.

*U.S. Foreign Account Tax Compliance Requirements:* Although the Fund will attempt to secure the compliance of its counterparties with FATCA rules and avoid imposition of the 30% withholding tax on its US source income, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders of the Fund may be materially affected.

The distribution of this document in other jurisdictions may also be restricted; persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

The Board of Directors of the Fund accepts responsibility for the accuracy of the information contained in this Prospectus on the date of publication.

All references herein to times and hours are to Luxembourg local time.

All references herein to EUR are to Euro.

This Prospectus may be updated from time to time with significant amendments. Consequently, subscribers are advised to inquire with the Fund as to the publication of a more recent Prospectus.

It is recommended to subscribers to seek professional advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and selling of shares in their place of origin, residence or domicile. This is especially applicable in the case of classes and sub-funds intended to institutional investors for which investors should qualify as such. Prior to applying, subscribers are recommended to make enquiries on whether the required criteria are met and whether their subscriptions can be taken into consideration.

*Data Protection Policy:*

**Data Protection**

The Fund together with the Management Company, may store on computer systems and process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, the "**Personal Data**") concerning the Shareholders and their representative(s) (including, without limitation, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their shareholders, and/or unitholders for, nominees and/or ultimate beneficial owner(s) (as applicable) (i.e. the "**Data Subjects**").

Personal Data provided or collected in connection with an investment in the Fund will be processed by the Fund, as data controller (i.e. the "**Controller** ") and by the Management Company, the Depositary and Paying Agent, the Administrative Agent, the Distributor and its appointed sub-distributors if any, the Auditor, legal and financial advisers and other potential service providers of the Fund (including its information technology providers, cloud service providers and external processing centres) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as processor on behalf of the Fund (i.e. the "**Processors**"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as controller, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

Controller and Processors will process Personal Data in accordance with Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**Data Protection Directive**") as transposed in applicable local laws applicable to them and, when applicable, the Regulation (EU) 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, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**", as well as any law or regulation relating to the protection of personal data applicable to them (together the "**Data Protection Law**").

Further information relating to the processing of Personal Data of Data Subjects may be provided or made available, on an ongoing basis, through additional documentation and/or, through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow the Controller and/or Processors to comply with their obligations of information according to Data Protection Law.

Personal Data may include, without limitation, the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount, KYC information of Data Subjects and any other Personal Data that is necessary to Controller and Processors for the purposes described below.

Personal Data is collected directly from Data Subjects by the Processors or through publicly accessible sources, social media, subscription services, Worldcheck database, sanction lists, centralised investor database, public registers or other publicly accessible sources.

Personal Data of Data Subjects will be processed by the Controller and Processors for the purposes of (i) offering investment in Shares and performing the related services as contemplated under this Prospectus, the Subscription Form, the Depositary agreement and the Administrative Agent Agreement, including, but not limited to, the opening of your account with the Fund, the management and administration of your Shares and any related account on an on-going basis and the operation of the Fund's investment in Sub-Funds, including processing subscriptions and redemptions, conversion, transfer and additional subscription request, the administration and payment of distribution fees (if any), payments to Shareholders, updating and maintaining records and fee calculation, maintaining the register of Shareholders, providing financial and other information to the Shareholders, (ii) developing and processing the business relationship with the Processors and optimizing their internal business organisation and operations, including the management of risk, (and, (iii) other related services rendered by any service provider of the Controller and/or Processors in connection with the holding of Shares in the Fund (hereafter the "**Purposes**").

Personal Data will also be processed by the Controller and Processors to comply with legal or regulatory obligations applicable to them and to pursue their legitimate interests or to carry out any other form of cooperation with, or reporting to, public authorities including, but not limited to, legal obligations under applicable fund and company law, prevention of terrorism financing law, anti-money laundering law, prevention and detection of crime, tax law (such as reporting to the tax authorities under FATCA and CRS Law to prevent tax evasion and fraud) (as applicable), and to prevent fraud, bribery, corruption and the provision of financial and other services to persons subject to economic or trade sanctions on an on-going basis in accordance with the anti-money laundering procedures of the Controller and Processors, as well as to retain AML and other records of the Data Subjects for the purpose of screening by the Controller and Processors, including in relation to other funds or clients of the Management Company and the Administrative Agent (hereafter the "**Compliance Obligations**").

Telephone conversations and electronic communications made to and received from the Management Company /or the Administrative Agent may be recorded by the Fund acting as controllers and / or by the Management Company /or the Administrative Agent, acting as processor on behalf of the Controller where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Controller's legitimate interests, including (i) for record keeping as proof of a transaction or related communication in the event of a disagreement, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Controller's and Processors' interests or rights in compliance with any legal obligation to which they are subject and (v) for quality, business analysis, training and related purposes to improve the Controller and Processors relationship with the Shareholders in general. Such recordings will be processed in accordance with Data Protection Law and shall not be released to third parties, except in cases where the Controller and/or Processors are compelled or entitled by laws or regulations applicable to them or court order to do so. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the

same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Processors.

Controller and Processors will collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) as a result of the subscription or request for subscription of the Shareholders to invest in the Fund where necessary to perform the Investment Services or to take steps at the request of the Shareholders prior to such subscription, including as a result of the holding of Shares in general and/or; (ii) where necessary to comply with a legal or regulatory obligation of the Controller or Processors and/or; (iii) where necessary for the performance of a task carried out in the public interest and/or; (iv) where necessary for the purposes of the legitimate interests pursued by Controller or and by the Processors, which mainly consist in the performance of the investment and administrative services, including where the subscription agreement is not entered into directly by the Shareholders or, or, in complying with the Compliance Obligations and/or any order of a foreign court, government, supervisory, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding Shares directly or indirectly in the Fund.

Personal Data will only be disclosed to and/or transferred to and/or otherwise accessed by the Processors, and/or any target entities, sub-funds and/or other funds and/or their related entities (including without limitation their respective general partner and/or management company and/or central administration / investment manager / service providers) in or through which the Fund intends to invest, as well as any court, governmental, supervisory or regulatory bodies, including tax authorities in Luxembourg or in various jurisdictions, in particular those jurisdictions where (i) the Fund is or is seeking to be registered for public or limited offering of its Shares, (ii) the Shareholders are resident, domiciled or citizens or (iii) the Fund is, or is seeking to, be registered, licensed or otherwise authorised to invest for carrying out the Purposes and to comply with the Compliance Obligations (i.e. the “**Authorised Recipients**”). The Authorised Recipients may act as processor on behalf of Controller or, in certain circumstances, as controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with laws and regulations applicable to them and/or order of court, government, supervisory or regulatory body, including tax authority.

Controller undertakes not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Shareholders from time to time or if required by applicable laws and regulations applicable to it or, by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By investing in Shares in the Fund, the Shareholders acknowledge and accept that Personal Data of Data Subjects may be processed for the Purposes and Compliance Obligations described above and in particular, that the transfer and disclosure of such Personal Data may take place to the Authorised Recipients, including the Processors, which may be located outside of the European Union, in countries which are not subject to an adequacy decision of the European Commission and which legislation does not ensure an adequate level of protection ensure an adequate level of protection as regards the processing of personal data. Controller will only transfer Personal Data of Data Subjects for performing the Purposes

or for complying with the Compliance Obligations.

Controllers will transfer Personal Data of the Data Subjects to the Authorised Recipients located outside of the European Union (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) in the event it is required by any judgment of a court or tribunal or any decision of an administrative authority, Personal Data of Data Subjects will be transferred on the basis of an international agreement entered into between the European Union or a concerned member state and other jurisdictions worldwide or, (iii) where necessary for the Processors to perform their services rendered in connection with the Purposes which are in the interest of the Data Subjects or, (iv) where necessary for the establishment, exercise or defence of legal claims or, or, (v) where necessary for the purposes of compelling legitimate interests pursued by the Controller, to the extent permitted by Data Protection Law or (vi) where specifically agreed on between the Data Controller and/or Data Processor and/or Data Subject.

Insofar as Personal Data provided by the Shareholders include Personal Data concerning other Data Subjects, the Shareholders represent that they have authority to provide such Personal Data of other Data Subjects to the Controller[s]. If the Shareholders are not natural persons, they must undertake to (i) inform any such other Data Subject about the processing of their Personal Data and their related rights as described under this Issuing Document, in accordance with the information requirements under the Data Protection Law and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data of other Data Subjects as described under this Issuing Document in accordance with the requirement of Data Protection Law.

Answering questions and requests with respect to the Data Subjects' identification and Shares held in the Fund, FATCA and/or CRS is mandatory. The Board of Directors / the Administrative Agent reserves the right to reject any application for Shares if the prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. The Shareholders acknowledge and accept that failure to provide relevant Personal Data requested by the Board of Directors, the Administrative Agent in the course of their relationship with the Fund may prevent them from acquiring or maintaining their Shares in the Fund and may be reported by the Board of Directors, the Administrative Agent to the relevant Luxembourg authorities. In addition, failure to provide the requested Personal Data could lead to penalties which may affect the value of the Shareholders' Shares.

The Shareholders acknowledge and accept that the Board of Directors / the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in FATCA and CRS, at OECD and European levels or equivalent Luxembourg legislation.

Each Data Subject may request, in the manner and subject to the limitations prescribed in accordance with Data Protection Law, (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data

concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller and, (iv) to obtain a copy of, or access to, the appropriate or suitable safeguards, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism, which have been implemented for transferring the Personal Data outside of the European Union, . In particular, Data Subjects may at any time object, on request, to the processing of Personal Data concerning them for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controller or Processors. Each Data Subject should address such requests to the Fund via post mail or via e-mail.

The Shareholders are entitled to address any claim relating to the processing of their Personal Data carried out by Controller in relation with the performance of the Purposes or compliance with the Compliance Obligations to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

The Controller and Processors processing Personal Data on behalf of the Controller will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of the Controller or such Processors.

Personal Data of Data Subjects is held until Shareholders cease to have Shares in the Fund and a subsequent period of 10 years thereafter where necessary to comply with laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by laws and regulations applicable to them. In any case, Personal Data of Data Subjects will not be held for longer than necessary with regard to the Purposes and Compliance Obligations contemplated in this Issuing Document, subject always to applicable legal minimum retention periods.

**FINLABO INVESTMENTS SICAV**  
Société d'investissement à capital variable  
Registered office: 44, Rue de la Vallée  
L-2661 Luxembourg  
Grand-Duchy of Luxembourg  
R.C.S. Luxembourg B 152.579

**Board of Directors**

**Chairman**

Margherita Balerna Bommartini  
Conducting Officer  
Casa4Funds SA Luxembourg, Swiss branch, Paradiso  
Via L. Zuccoli 19,  
CH – 6900 Lugano (Switzerland)

**Directors**

Alex Schmitt  
Senior Partner  
Head of financial and banking law, investment funds, private equity, securities law and regulation, and  
mergers & acquisitions  
Bonn & Schmitt, Avocats, Luxembourg  
148 Avenue de la Faiencerie  
L-1511 Luxembourg

Alessandro Guzzini  
Managing Director  
Finlabo SIM S.p.A.  
Corso Persiani, 45  
I – 62019 Recanati (MC) (Italy)

Simone Giuggioloni  
Head of Administration  
Finlabo SIM S.p.A  
Corso Persiani, 45  
I-62019 Recanati (MC) (Italy)

**Management Company**

CASA4FUNDS SA  
44, Rue de la Vallée,  
L-2661 Luxembourg



**Board of directors of the Management Company**

**Chairman:** Michele Milani, Member of the Management Committee, Banor SIM SpA

**Directors:** Giacomo Mergoni, Chief Executive Officer, Banor Capital Limited  
Alberto Cavadini, Independent Director

**Depositary**

BANQUE DE LUXEMBOURG

14, Boulevard Royal,

L-2449 Luxembourg

**Administrative Agent, Registrar and Transfer Agent**

EUROPEAN FUND ADMINISTRATION S.A. (EFA)

2, rue d'Alsace,

L-1122 Luxembourg

**Investment Manager**

FINLABO SIM S.P.A.

Corso Persiani, 45,

I – 62019 Recanati (MC) (Italy)

**Auditor**

DELOITTE AUDIT S.AR.L.

20 Boulevard de Kockelscheuer

L-1821 Luxembourg

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## GLOSSARY

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The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

<b><i>1915 Law</i></b>	The Luxembourg law of 10 <sup>th</sup> August 1915 on commercial companies, as amended from time to time.
<b><i>2010 Law</i></b>	The Luxembourg law of 17 <sup>th</sup> December 2010 on undertakings for collective investment, as amended.
<b><i>Accounting Currency</i></b>	The currency of consolidation of the Fund. The consolidated financial statements of the Fund are expressed in EUR.
<b><i>Asset-Backed Securities (ABS)&amp; Mortgage-Backed Securities (MBS)</i></b>	ABS and MBS are generic terms generally used to describe the securities resulting from the securitisation mechanism. Depending on the nature of the underlying asset and with no restrictions on its nature, these may include securities backed by equipment assets (aircraft, ships, etc.) (EETC, Enhanced Equipment Trust Certificates), by loans associated with residential (RMBS, Residential Mortgage-Backed Securities) or commercial (CMBS, Commercial Mortgage-Backed Securities) property, loans or bonds issued by financial or manufacturing companies, debt portfolios, bank loans (CLO, Collateralised Loan Obligations), consumer loans, business or miscellaneous assets, and Credit Linked Notes (CLN) pool loans that are packaged and sold as securities. The types of loans include notably credit card receivables, auto loans, home equity loans, student loans. Unless otherwise specified in the “Sub-Funds Details”, the Sub-Fund will invest in ABS/MBS with a minimum rating “A” by Standard & Poor, “A2” by Moody’s, or Fitch equivalent.
<b><i>Articles of Incorporation</i></b>	The articles of incorporation of the Fund.
<b><i>Bank Business Day</i></b>	A full bank business day in Luxembourg.
<b><i>Board of Directors</i></b>	The Board of Directors of the Fund.

<b><i>BMR</i></b>	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 Regulation (EU) and amending Directives 2008/48/EC and 2014/17/EU and Regulation No 596/2014.
<b><i>Categories</i></b>	Each Class of Shares may be further sub-divided into two Categories of Shares, being Distribution shares and Accumulation shares, as further described under Section “ <i>Distribution policy</i> ”.
<b><i>CESR / 07-044b</i></b>	CESR’s guidelines concerning eligible assets for investment by UCITS, as amended from time to time.
<b><i>Classes</i></b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.
<b><i>Cocos</i></b>	<p>Contingent convertible capital instruments (CoCos) are hybrid capital securities because they have the following characteristics of bonds:</p> <ul style="list-style-type: none"><li>a. they are subordinated debt instruments;</li><li>b. payment of interest may be suspended in a discretionary manner or depending on an external target set in the issuance contract;</li></ul> <p>And the following characteristics of shares, because these are convertible hybrid instruments:</p> <ul style="list-style-type: none"><li>a. conversion can take a variety of forms (especially into shares);</li><li>b. the trigger factor of the conversion is set with the aim of protecting the banks' capital.</li></ul> <p>CoCos absorb losses when the capital of the issuing bank falls below a certain level. CoCos have two main defining characteristics: the loss absorption mechanism and the trigger that activates that mechanism (contractual trigger and /or at the point of non-viability: essentially a write-down or equity conversion based on regulatory discretion).</p>
<b><i>Conversion of Shares</i></b>	Unless specifically indicated to the contrary for any Sub-Fund, Shareholders may at any time request conversion of their shares into shares of another existing Sub-Fund. Shares are issued and

cancelled on the same day on the basis of the applicable net asset values of the shares of both Sub-Funds

<b><i>Crystallization Principle</i></b>	Any accrued positive performance fee will be crystallized. When there are redemptions at the Fund level the proportion of the accrued fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV. This approach to crystallization protects the interests of the Fund's shareholders.
<b><i>Currency Hedged Share Class</i></b>	A Share Class denominated in a different currency than the Reference Currency of the relevant Sub-Fund for which the Fund/the Investment Manager utilises currency risk hedging arrangements in order to systematically limit investor's currency risk by reducing the effect of the exchange rate fluctuations between the Reference Currency and the currency to which the investor wishes to be exposed, in compliance with ESMA Opinion 34-43-296 dated 30 <sup>th</sup> January 2017. The Investment Manager will ensure to hedge such risk between 95-105 % of the value of each Currency Hedged Share Class.
<b><i>CSSF</i></b>	<i>Commission de Surveillance du Secteur Financier</i> – The Luxembourg Supervisory Authority.
<b><i>Denomination Currency</i></b>	The currency in which a Class of Shares can be denominated and which can defer from a Sub-Fund's Reference Currency, as further detailed in the Appendix I "Sub-Funds Features".
<b><i>Depositary</i></b>	The assets of the Fund are held under the custody or control of BANQUE DE LUXEMBOURG S.A., 14, Boulevard Royal, L – 2449 Luxembourg, Grand-Duchy of Luxembourg.
<b><i>Directive</i></b>	The Directive 2009/65/EC of 13 <sup>th</sup> July 2009 as amended by the Directive 2014/91/EC of the European Parliament and of the Council of 23 July 2014.
<b><i>Eligible Market</i></b>	A Regulated Market in an Eligible State.
<b><i>Eligible State</i></b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania.
<b><i>EMIR</i></b>	EU Regulation No 648/2012 of 4 July 2012 on OTC derivatives,

central counterparties and trade repositories, known as European Market Infrastructure Regulation.

***EU***

The European Union.

***Exchange Traded Funds (ETFs)***

Exchange traded products that are structured and regulated as mutual funds or collective investment schemes. Most ETFs are UCITS compliant collective investment schemes. UCITS are not allowed to invest in physical commodities but they are able to use synthetic index replication to obtain exposure to broad commodity indices that satisfy the relevant diversification requirements. United States ETFs (open-ended US ETFs subject to the Investment Company Act of 1940 which qualify as a "Diversified Fund") are qualified as other UCIs in the meaning of the 2010 Law provided they meet all the requirements set forth in article 41(1) e) of the 2010 Law, including the requirement that the rules on assets segregation, borrowing, lending and uncovered sales are equivalent to the UCITS requirements (such requirements should be consider satisfy after an appropriate eligibility analysis enabling to conclude that the US ETF actually complies in all material respects with the UCITS restrictions, or by means of a written confirmation of the US ETF or its manager).

***Exchange Traded Commodities (ETCs)***

ETCs are traded and settled like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC may be physically backed by the underlying commodity (e.g. precious metals, or other commodities) – but in any case no physical delivery should be considered – (i.e. for Gold Bullion Securities or other similar eligible ETC) or uses fully collateralized swaps or futures to synthetically replicate the index return. The Fund will only invest in ETCs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2. of the Grand-ducal Regulation of 8<sup>th</sup> February 2008 and the article 17 of the CESR / 07-044b. Furthermore, when ETCs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8<sup>th</sup> February 2008.

***FATCA***

Means the Foreign Account Tax Compliance Act such as enacted and adopted by the United States of America on March 18, 2010, requiring US individuals to report their financial accounts held outside of the United States and foreign financial institutions to

report to the Internal Revenue Service, or the tax authority in their jurisdiction of domicile, information about their US clients;

***FATF*** Financial Action Task Force (also referred to as Groupe d'Action Financière).

***Fund*** FINLABO INVESTMENTS SICAV, an investment company organised under Luxembourg law as a société anonyme qualifying as a société d'investissement à capital variable ("SICAV"). It may comprise several Sub-Funds.

***Grand-ducal Regulation of 8<sup>th</sup> February 2008*** Grand-Ducal Regulation of 8<sup>th</sup> February 2008 relating to certain definitions of the amended law of 20<sup>th</sup> December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.

***Institutional Investors*** Any investors, within the meaning of Article 174 (II) of the Luxembourg Law of 17 December 2010, which are legal entities, included, but not limited to, insurance companies, pension funds, credit establishments and other professionals in the financial sector investing either on their own behalf or on behalf of their clients who are also investors within the meaning of this definition or under discretionary management, Luxembourg and foreign collective investment schemes and qualified holding companies.

***Investment Advisor*** The Management Company may appoint an investment advisor for one or all the Sub-Funds in order to advise and make recommendations regarding the selection of securities and other permitted assets to be acquired by any Sub-Fund in line with the investment policy of the relevant Sub-Fund.

***Investment Manager*** The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of the Sub-Funds to one or several investments managers, subject to the prior approval of the Luxembourg Supervisory Authority.

***Issue of shares*** The Offering Price per share of each Sub-Fund will be the net asset value per share of such Sub-Fund determined on the applicable Valuation Day plus the applicable dealing charge.



<b><i>KiiD</i></b>	Key Investor Information Document
<b><i>Management Company</i></b>	Casa4Funds SA has been appointed as the management company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.
<b><i>Member State</i></b>	A member state of the European Union.
<b><i>MiFID II</i></b>	The EU's re-cast Markets in Financial Instruments Directive (2014/65/EU) (the " <b>MiFID II Directive</b> "), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID II Directive, and the EU's Markets in Financial Instruments Regulation (600/2014) (together, " <b>MiFID II</b> ").
<b><i>Minimum Initial Investment</i></b>	In relation with a first investment in a sub-fund/share class, minimum number of shares or amount to be subscribed by an investor, as specified in <i>Appendix I – Sub-Funds Features</i> .
<b><i>Redemption of Shares</i></b>	Shareholders may at any time request redemption of their shares, at a price equal to the net asset value per share of the Sub-Fund concerned, determined on the applicable Valuation Day less any redemption fee as disclosed in the Section " <i>Sub-Fund details</i> " to this Prospectus for a specific Sub-Fund.
<b><i>Reference Currency</i></b>	The currency in which the Net Asset Value of each Sub-Fund is denominated, as specified for each Sub-Fund in the relevant section.

<b><i>Regulated Market</i></b>	A market within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.
<b><i>SFTR</i></b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b><i>SFTs</i></b>	Securities Financing Transactions, such as lending or borrowing of securities or commodities, repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions.
<b><i>Shares</i></b>	Shares of each Sub-Fund are offered in registered form and all shares must be fully paid up. Fractions of shares will be issued up to 3 decimals. Shares may also be held through accounts maintained with clearing houses.
<b><i>Sub-Funds</i></b>	The Fund offers investors, within the same investment vehicle, a choice between several sub-funds which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Section “ <i>Sub-Funds Details</i> ” and in Appendix I – Sub-Funds features to this Prospectus. The Board of Directors of the Fund may, at any time, decide the creation of further Sub-Funds and in such case, this Prospectus will be updated. Each Sub-Fund may have one or more classes of shares.
<b><i>Target Funds</i></b>	Eligible units/shares of UCITS, UCIs and/or ETFs as defined in the Section headed “ <i>Investment and Borrowing restrictions</i> ” paragraph 3. I (1) c) of the prospectus, which follow the diversification rules as disclosed in the Section headed “ <i>Investment and Borrowing restrictions</i> ” paragraph 3. VI a) of the prospectus, and as per the meaning of and pursuant to limits set by articles 41 (1) e) and 46 of the 2010 Law.
<b><i>UCI</i></b>	Undertaking for Collective Investment.
<b><i>UCITS</i></b>	Undertaking for Collective Investment in Transferable Securities.

**Valuation Day**

*The Valuation Day is the Bank Business Day on which the net asset value (NAV) is dated.*

*The NAV is calculated as of the first Bank Business Day following the Valuation Day. The prices used are the last available on the Valuation Day.*

*A Valuation Day for all Sub-Funds might be any day on which banks in Luxembourg are normally open for business unless otherwise defined in Appendix I – Sub-Funds features to this Prospectus for a specific Sub-Fund.*

*The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and Appendix I – Sub-Funds features to this Prospectus will be updated accordingly.*

***Words or expressions used in the Prospectus that are not specifically defined in this Glossary shall have the same meaning as those defined in the 2010 Law.***

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## THE FUND

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FINLABO INVESTMENTS SICAV is an open-ended collective investment company in the form of a *société d'investissement à capital variable* established under the laws of the Grand-Duchy of Luxembourg, with an "umbrella" structure comprising different Sub-Funds. In accordance with the 2010 Law, a subscription of shares constitutes acceptance of all terms and provisions of the Articles of Incorporation. Within each Sub-Fund, and/or each Class of shares, the investor may select either the distribution of a dividend or the capitalisation of income by choosing between the Distribution shares and the Accumulation shares. Details on each Sub-Fund are disclosed in Appendix I – Sub-Funds Features to this Prospectus.

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## MANAGEMENT AND ADMINISTRATION

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### 1. Board of Directors

The appointed Directors are:

- Margherita Balerna Bommartini (Chairman)
- Alessandro Guzzini
- Simone Giuggioloni
- Alex Schmitt

The Directors of the Fund are responsible for its management and supervision including the determination of investment policies. They will review the operations of the Fund and of the Management Company.

### 2. Management Company

The Board of Directors of the Fund has appointed Casa4Funds SA as the Management Company to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company may from time to time delegate all or some of the services it provides in respect of all Sub-Funds to one or more service providers. In case of such delegation, the Management Company shall supervise the activities of the service providers on a permanent basis.

The Management Company was incorporated as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg on 5<sup>th</sup> August 2005 and its articles of incorporation were published in the Mémorial on 21<sup>st</sup> December 2005. It also acts as Management Company to other Luxembourg undertakings for collective investment listed at the registered office of the Management Company as well as on its website: [www.casa4funds.com](http://www.casa4funds.com). Its subscribed share capital is EUR 1,274,720. The Management Company is approved as Management Company regulated by chapter 15 of the 2010 Law.

The Management Company shall ensure, amongst others, compliance of the Fund with the investment restrictions and their investment policy set forth in this Prospectus and the Articles of Incorporation.

The Management Company shall also send reports to the Directors on a monthly basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company is registered with the U.S. Internal Revenue Service (the "IRS") as a "Sponsoring Entity" with a Global Intermediary Identification Number (GIIN) of 1A8VBE.00000.SP.442 and shall act as "Sponsoring Entity" for the Fund as regards FATCA compliance requirements.

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The Management Company shall also act as Domiciliary Agent of the Fund.

The Management Company has in place a remuneration policy compliant with the Directive and, among others, with the following principles:

- (i) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages;
- (ii) the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest;
- (iii) the remuneration policy is adopted by the Board of Directors of the Management Company who adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation;
- (iv) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (v) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the remuneration committee, where such a committee exists;
- (vi) where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or UCITS concerned and as to their risks and of the overall results of the management company when assessing individual performance, taking into account financial and non-financial criteria;
- (vii) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (viii) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement;
- (ix) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Details of 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 the website : <http://www.casa4funds.com/information-about-the-remuneration.html>

A paper copy of such document is available free of charge from the Management Company upon request.

### **3. Conflicts of Interest**

The Management Company may from time to time act as management company or investment manager to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund.

The Board of Directors of the Fund and/or the Management Company will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

### **4. Investment Managers**

The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of the Sub-Funds to one or several investments managers, subject to the prior approval of the Luxembourg Supervisory Authority.

**FINLABO SIM S.p.A.** has been designated Investment Manager of the Fund by means of an agreement dated 15<sup>th</sup> April 2011 with the Management Company, to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company.

The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each sub-fund are invested in a manner consistent with the Fund's and the sub-funds' investment restrictions and that cash belonging to the Fund and each sub-fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

FINLABO SIM S.P.A. is a company authorised and regulated by Banca d'Italia and Consob (Reference no: 245) (the *Commissione Nazionale per le Società e la Borsa* "Consob" is the public authority responsible for regulating the Italian financial markets) whose registered office is at Corso Persiani, 45, I-62019 Recanati (Italy).

## **5. Investment Advisors**

The Management Company may appoint Investment Advisors to provide advisory services to one or several Sub-Fund(s).

The Investment Advisor(s) shall regularly assist the Management Company by giving advice and recommendations regarding the selection of securities and other permitted assets to be acquired by the Fund in line with the investment policy of the relevant Sub-Fund.

The Investment Advisor(s) shall act in a purely advisory capacity. The Management Company shall not be bound by any advice or recommendations provided by such Investment Advisor(s) and shall assume sole responsibility for all decisions taken acting on such advice and recommendations in the management of the Fund's assets.

Each of the appointed Investment Advisor may seek advice, at its own expense, for the investment of the Fund's assets, from any person or corporation which it may consider appropriate.

## **6. Distributors and Nominees**

Distributors may be appointed for the purpose of assisting the Management Company in the distribution of the shares of the Fund in the countries in which they are marketed.

Certain Distributors may not offer all of the Sub-Funds/classes of shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

Investors can subscribe Shares in a Sub-Fund directly from the Fund. Investors may also purchase Shares in a Sub-Fund by using the nominee services offered by the Distributors or by the Local Paying Agents. A Distributor or a Local Paying Agent then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or Local Paying Agent then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and Local Paying Agents that offer nominee services are either seated in countries that have ratified the resolutions adopted by the FATF or Groupe d'action financière internationale "GAFI") or execute transactions through a correspondent bank seated in a FATF country. Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or Local Paying Agent offering the Nominee-Service.

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



*certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.*

A list of the Distributors and Nominee shall be at disposal at the Fund registered office.

Any Investor shall self-certify its FATCA status to the Fund (or its delegates) via the forms prescribed by the FATCA regulations in force in the relevant jurisdiction (e.g. through the W8, W9 or equivalent filing forms) to be renewed regularly or provide the Fund (or its delegates) with their GIIN numbers if the Investors are FFIs. The Investors shall inform the Fund (or its delegates) of a change of circumstances in their FATCA status immediately in writing in order to ensure correct reporting.

It is the responsibility of the Nominee to identify its clients for FATCA purposes.

The Investors/Distributors that either have not properly documented their FATCA status as requested or have refused to disclose such a FATCA status within tax legally prescribed timeframe may be classified as “recalcitrant” and be subject to a reporting towards tax or governmental authorities and may suffer potential withholding tax.

If you have any doubt on the possible implications of FATCA on the Fund or yourself, you should seek independent professional advice. You are strongly recommended to seek independent advice from your own qualified U.S. tax advisor if you have queries related to FATCA or if you wish to know more about FATCA and its effect on you.

## **7. Depositary**

By virtue of a depositary agreement executed between the Fund, the Management Company and BANQUE DE LUXEMBOURG (“Depositary Agreement”), the latter has been appointed as depositary of the Fund (“Depositary”) for (i) the safekeeping of the assets of the Fund, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 14, boulevard Royal, L-2449 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 5310. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, including, inter alia, custody, fund administration and related services.

### **7.1 Duties of the Depositary**

The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody within the meaning of Article 22.5 (a) of Directive 2009/65/EC as amended (“Custodiable Assets”), they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its

correspondents, sub-depository banks, nominees, agents or delegates. The Depositary also ensures that the Fund's cash flows are properly monitored.

In addition, the Depositary shall:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of the shares of the Fund are carried out in accordance with the Law of 2010 and the Articles of Incorporation;
- (ii) ensure that the value of the shares of the Fund is calculated in accordance with the Law of 2010 and the Articles of Incorporation;
- (iii) carry out the instructions of the Fund, unless they conflict with the Law of 2010 or the Articles of Incorporation;
- (iv) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (v) ensure that the Fund's income is applied in accordance with the Law of 2010 and the Articles of Incorporation.

## **7.2 Delegation of functions**

Pursuant to the provisions of the Law of 2010 and of the Depositary Agreement, the Depositary delegates the custody of the Fund's Custodiable Assets to one or more third-party custodians appointed by the Depositary.

The Depositary shall exercise care and diligence in choosing, appointing and monitoring the third-party delegates so as to ensure that each third-party delegate fulfils the requirements of the Law of 2010. The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

In the case of a loss of a Custodiable Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

According to the Law of 2010, where the law of a third country requires that certain financial instruments of the Fund be held in custody by a local entity and there is no local entity in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision, delegation of the custody of these financial instruments to such a local entity shall be subject (i) to instruction by the Fund to the Depositary to delegate the custody of such financial instrument to such a local entity, and (ii) to the Fund's investors being duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the relevant third country, of the circumstances justifying

the delegation and of the risks involved in such a delegation. It shall rest with the Fund and/or Management Company to fulfil the foregoing condition (ii), whereas the Depositary may validly refuse accepting any of the concerned financial instrument in custody until it receives to its satisfaction both the instruction referred to under the foregoing condition (i), and the written confirmation from the Fund and/or the Management Company that the foregoing condition (ii) has been duly and timely fulfilled.

### **7.3 Conflicts of interests**

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

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

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund. Such potential conflicts of interests may in particular be due to the following situations (the term "CM-CIC Group" designates the banking group to which the Depositary belongs).

- the Depositary has a significant shareholder stake in European Fund Administration in Luxembourg ("EFA") and some members of the staff of the CM-CIC Group are members of EFA's board of directors;
- the Depositary delegates the custody of financial instruments of the Fund to a number of sub-custodians;
- the Depositary may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions.

The following circumstances should mitigate the risk of occurrence and the impact of conflicts of interests that might result from the above mentioned situations.

The staff members of the CM-CIC Group in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

The selection and monitoring process of sub-custodians is handled in accordance with the Law of 2010 and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that, except with regards to one specific class of financial instruments, none of the sub-custodians used by Banque de Luxembourg for the custody of the Fund's financial instruments is part of the CM-CIC Group. The exception exists for units held by the Fund in French investment funds where,

because of operational considerations, the trade processing is handled by and the custody is delegated to Banque Fédérative du Crédit Mutuel in France (“BFCM”) as specialized intermediary. BFCM is a member of the CM-CIC Group. BFCM, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

Additional banking services provided by the Depositary to the Fund are provided in compliance with relevant legal and regulatory provisions and rules of conduct (including best execution policies) and the performance of such additional banking services and the performance of the depositary tasks are functionally and hierarchically separated.

Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the Fund which shall take appropriate action.

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

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

Investors of the Fund may contact the Depositary at the Depositary’s registered office to receive information regarding a possible update of the above listed principles.

#### **7.4 Miscellaneous**

The Depositary or the Fund may terminate the Depositary Agreement at any time upon not less than three (3) months' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any party to the Depositary Agreement). As from the termination date, the Depositary will no longer be acting as the Fund’s depositary pursuant to the Law of 2010 and will therefore no longer assume any of the duties and obligations nor be subject to the liability regime imposed by the Law of 2010 with respect to any of the services it would be required to carry out after the termination date.

Up-to-date information regarding the list of third-party delegates will be made available to investors on <http://www.banquedeluxembourg.com/en/bank/corporate/legal-information>.

As Depositary, BANQUE DE LUXEMBOURG will carry out the obligations and duties as stipulated by the Law of 2010 and the applicable regulatory provisions.

The Depositary has no decision-making discretion or any advice duty relating to the Fund's organization and investments. The Depositary is a service provider to the Fund and is not responsible for the preparation and content of this Prospectus and therefore accepts no responsibility for the accuracy and completeness of any information contained in this Prospectus or the validity of the structure and of the investments of the Fund.

Investors are invited to consult the Depositary Agreement to have a better understanding of the limited duties and liabilities of the Depositary.

## **8. Registrar and Transfer and Administrative Agent**

Pursuant to an agreement dated as of 20<sup>th</sup> April 2010, the Management Company with the approval of the Fund has appointed EUROPEAN FUND ADMINISTRATION ("EFA" or the "Administrative Agent"), as Administrative, Registrar and Transfer Agent to be responsible for all administrative duties required by Luxembourg laws and among others for handling the processing of subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation and determination of the net asset value per Share in each Sub-Fund as well as for the mailing of statements, reports, notice and other documents to the concerned Shareholders of the Fund, in compliance with the provisions of, and as more fully described in, the relevant agreement above mentioned.

EFA is empowered to delegate, under its full responsibility, all or part of its duties as Administrative Agent to a third Luxembourg entity with the prior consent of the Management Company.

European Fund Administration S.A. is a *société anonyme* incorporated under the laws of Luxembourg and having its registered office at 2, rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg RCS under number B 56.766. The Central Administrative Agent is a professional of the financial sector subject to the Luxembourg Law of 5 April 1993 on the financial sector, as amended.

The rights and duties of EFA as administrative agent are governed by the agreement above mentioned and each of the parties may terminate this agreement subject to ninety (90) days' notice.

The fees and expenses of the Administrative, Registrar and Transfer Agent are borne by the Fund and charge in accordance with common practice in Luxembourg.

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## INVESTMENT POLICY AND OBJECTIVES

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The Fund's investment objective is long-term capital appreciation which it will seek to achieve by investing in transferable securities, debt obligations and money market instruments admitted to or dealt in on a regulated market in an Eligible Market, whether denominated in Euro or in any international currencies. The Fund has also the investment objective to maximise the investment return by investing in a portfolio of fixed and floating income securities and asset backed transferable debt obligations of public, mixed or private entities and corporations. There can be no assurance that the Fund's investment objectives will be achieved.

In the general pursuit of obtaining a high level of return and capital appreciation, efficient portfolio management techniques may be employed to the extent permitted by the investment and borrowing restrictions stipulated by the Board of Directors.

SHAREHOLDERS SHOULD BE AWARE THAT THE USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES MAY ENTAIL CERTAIN RISKS WHICH MAY AFFECT THE NET ASSET VALUE OF THE SUB-FUNDS.

The Sub-Funds may from time to time also hold, on an ancillary basis, cash reserves or include other permitted assets with a short remaining maturity, especially in times when rising interest rates are expected.

A large part of the assets shall be invested in securities which are issued or guaranteed by governments and/or their agencies, supranational issuers or prime corporate issuers.

More or less stringent rating requirements may be applicable to some Sub-Funds as disclosed in their specific investment policies. Please refer to the description of the investment policy of each Sub-Fund in the Section Sub-Funds details to this Prospectus for details.

The historical performance of the Sub-Funds will be published in the KiiD for each Sub-Fund. Past performance is not necessarily indicative of future results.

The specific investment policy of each Sub-Fund is described in the Section Sub-Funds details to this Prospectus.

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## **RISK FACTORS**

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### **Equity Risk**

While equities have historically been a leading choice of long-term investors, the fluctuations in their prices can sometimes be exacerbated in the short-term.

Because equity securities represent ownership in their issuers, prices of these securities can suffer for such reasons as poor management, shrinking product demand and other business risks.

Many factors can affect equity market performance: economic, political and business news can influence market-wide trends, over the short term as well as the long term.

### **Investing in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-Fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### **Investment in Financial Derivative Instruments**

#### **Investment in Warrants**

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the sub-funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

#### **Credit Default Swaps**

Credit default swap transactions may entail particular risks.

These transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into credit default swap transactions with highly rated financial institutions.

Credit default swaps may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

### **Futures and Options**

The Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below "*OTC Derivative Transactions*"). The Fund must comply with the limits set out below under Section *Investment and Borrowing Restrictions*.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### **OTC Derivative Transactions**

Absence of regulation; counterparty default and lack of liquidity

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.



In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

EMIR was designed to improve the stability of the OTC markets throughout the EU aiming at introducing uniform requirements in respect of OTC derivatives transactions by requiring certain “eligible” OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain detail of derivatives transactions to trade repositories.

Prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR and similar regulatory regimes may adversely affect the Company’s ability to achieve its investment objectives. In addition, the implementation and the compliance with the requirement laid down in EMIR may increase the overall costs borne by the SICAV as further detailed in Section headed “*Management and Fund Charges*”.

### **Risks of relating to the use of SFTs**

SFTs involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in SFTs is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuse to honour its obligation to return securities or cash to the Sub-Fund as required by the terms of the transaction: **Counterparty risk**.

As an example, the Fund and any of its Sub-Funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section headed “*Techniques and Instruments*”. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Fund or the relevant Sub-Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Fund and any of its Sub-Funds may also enter into securities lending transactions subject to the conditions and limits set out in Section headed “*Techniques and Instruments*”. If the other party to a securities lending transaction should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund or the relevant Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and / or losses incurred upon realization of collateral: SFTs also entail **Liquidity risk** due to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption request.

The Sub-Fund may also incur **Operational risk** such as non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligation under sales of securities, and **Legal risks** related to the documentation uses in respect of such transactions.

The Sub-Fund may enter into SFTs with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any SFTs concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transaction in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interest or that of affiliated counterparties.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the Fund's or the relevant Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Fund's or the relevant Sub-Fund's NAV.

In respect of margin lending transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

### **Risk of relating to the use of TRSs**

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves **Counterparty risk**. If the Sub-Fund engages in OTC FDI, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Funds enters into TRSs on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

### **Collateral Management risk**

Counterparty risk arising from OTC FDI and SFTs is generally mitigated by the transfer of pledge of collateral in favor of the Sub-Fund. However, transactions may not be fully collateralized. Fees and returns due to the Sub-Fund may not be collateralized. If a counterparty default, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such case, the Sub-Fund could realise a loss due to inaccurate pricing or monitoring of the collateral, adverse movements, deterioration in the credit rating of issuers of the collateral may delay or restrict the ability of the Sub-Fund to meet redemption request.

A Sub-Fund may also incur a loss 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 transactions. The Sub-Fund would require 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.

### **Non-investment grade securities**

Furthermore, for sub-funds whose policy allows for the investment in securities rated lower than BBB- (Standard & Poors), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- (Standard & Poors), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

### **Investing in Emerging Countries**

Investment in securities issued by issuers situated in or traded on markets situated in emerging countries involves risk factors and special considerations, including those which follow which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund. By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be under developed enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

### **Interest Rate Risk**

Investment in debt securities or money market instruments is subject to interest rate risk.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the risk that such movements in interest rates will negatively affect a security's value or, in a sub-fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk.

While changes in interest rates may affect a sub-fund's interest income, such changes may positively or negatively affect the net asset value of the sub-fund's shares on a daily basis.

### **Currency Risk**

Since the securities held by a sub-fund may be denominated in currencies different from its base currency, the sub-fund may be affected favorably or unfavorably by changes in the exchange rates between such reference currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

Although a sub-fund may use hedging or other techniques in seeking to minimize its exposure to currency risk, it may not be possible or desirable to hedge against all currency risk exposure, nor is it guaranteed that a hedging technique will perform as anticipated.

### **Credit Risk**

Credit risk, related to all fixed income securities as well as money market instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or specific to an issuer, are all the factors that may have an adverse impact on an issuer's credit quality and security values.

### **Hedged Classes**

In the case where shares are hedged against the Reference Currency of a particular sub-fund, such hedging may, for technical reasons or due to market movements, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

### **Counterparty Risk**

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered when evaluating a contract.

The Fund is exposed to counterparty risk when entering into Over the Counter ("OTC") derivatives contracts or into cash deposits.

### **Liquidity Risk**

This is the risk of losing a certain amount of money when liquidating one or more positions in a portfolio. The loss is generated by the difference between the price at which the financial asset is marked and the price at which it can be sold.

Liquidity risk arises from situations in which a party interested in trading an asset cannot do it because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.

Manifestation of liquidity risk is very different from a drop of price to zero. In case of a drop of an asset's price to zero, the market is saying that the asset is worthless. However, if one party cannot find another party interested in trading the asset, this can potentially be only a problem of the market participants with finding each other. This is why liquidity risk is usually found to be higher in emerging markets or low-volume markets.

### **Potential Risks associated with investing in Contingent Convertible instruments**

Converted Convertible Contingent Capital Bonds ("CoCos"), it is a feature of such issues that a bondholder's interest may be converted to equity, and the flexibility is retained to hold such securities following a conversion event.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the Common Equity Tier 1 distance to the trigger level.

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

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

Call extension risk: Cocos are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority.

It cannot be assumed that the perpetual Cocos will be called on call date. Cocos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

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

Yield/Valuation risk: investors have been drawn to the instrument as a result of the Cocos' often

attractive yield which may be reviewed as a complexity premium.

### **Potential Risks associated with investing in ABS and MBS**

Certain Sub-Funds may have exposure to ABS and MBS as further detailed in their respective investment policies under section headed “*Sub-Funds Details*”.

The obligations associated with ABS and MBS may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

In addition, ABS and MBS are often exposed to extension and prepayment risks.

**Extension risk:** The risk of a security's expected maturity lengthening in duration due to the deceleration of prepayments. Extension risk is mainly the result of rising interest rates. As interest rates may rise due to different economic factors, the likelihood of prepayment decreases as people will be less likely to refinance their real estate investment.

**Prepayment risk:** The risk associated with the early unscheduled return of principal on a fixed-income security. On a mortgage/asset-backed security, the higher the interest rate relative to current interest rates, the higher the probability that the underlying mortgages will be refinanced. Investors who pay a premium for a callable bond with a high interest rate take on prepayment risk. In addition to being highly correlated with falling interest rates, mortgage prepayments are highly correlated with rising home values, as rising home values provide incentive for borrowers to trade up in homes or use cash-out re-finances, both leading to mortgage prepayments.

### **Regulatory and Legal Risks:**

The Fund must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the investment restrictions, which might require a change in the investment policy and objectives followed by a compartment. The compartment's assets, the Underlying Asset and the derivative techniques used to expose the compartment to the Underlying Assets may also be subject to change in laws or regulations and/or regulatory action which may affect the value of the Shares. The Fund is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

**MiFID II:** impose new regulatory obligations on the Investment Manager. These regulatory obligations may impact on, and constrain the implementation of, the investment approach of the Fund and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or the Fund. *Extension of pre- and post-trade transparency*

MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and

certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID II, together with the restrictions on the use of “dark pools” and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Fund. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

#### *Equities – On-exchange trading*

MiFID II introduces a new rule that an EU regulated firm may execute certain equities trades only on an EU trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Manager’s ability to implement the Fund’s investment objective and investment approach is uncertain.

#### *OTC derivatives*

MiFID II requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID II introduces a new trading venue, the “organised trading facility”, which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on the Fund is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

#### *Access to research*

MiFID II prohibits an EU authorised investment firm from receiving investment research unless it is paid for directly by the firm out of its own resources or from a separate research payment account. EU research providers that are MiFID firms will be obliged to price their research services separately from their execution services. It is uncertain whether these changes will lead to an overall increase in the price of research and/or lead to reduced access to research for the Investment Manager in relation to the Fund’s investment approach.

*Changes to use of direct market access*

MiFID II introduces new requirements on EU banks and brokers which offer direct market access (“DMA”) services to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of the Fund’s investment approach.

*Changes to conduct rules for EU brokers*

Historically, certain EU sell-side firms have used IPO and secondary allocations as a way of rewarding their most valued buy-side clients (in terms of trading volumes or commissions) for the business that they have given to the firm previously or to incentivise future business. New MiFID II requirements effectively prohibit such behaviour, as MiFID II precludes a sell-side firm from allocating issuances to clients either (a) to incentivise the payment of a large amount of fees for unrelated services provided by the EU firm or (b) which is conditional on the receipt of future orders or the purchase of any other service from the EU firm by a client. As a result, the manner in which the Investment Manager is allocated IPOs and secondary issuances by its sell-side service providers is likely to change significantly, which may have an adverse effect on the Investment Manager’s ability to implement the Fund’s investment approach.

*Changes to policies and procedures and costs of compliance*

MiFID II requires significant changes to a number of the Investment Manager’s policies and procedures, including with respect to best execution, payment for and access to research, and conflicts of interest, which may adversely affect the Investment Manager’s implementation of the Fund’s investment approach. Compliance with these requirements is likely to result in the Investment Manager incurring significant costs and may also result in increased costs for the Fund.



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## INVESTMENT AND BORROWING RESTRICTIONS

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The Articles of Incorporation provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the Section Sub-Funds details of this Prospectus, to the investments of each of the Sub-Funds:

- I. (1) The Fund, for each Sub-Fund, may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC or dealt in on another market which operates regularly and is recognised and open to the public in a Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania (an "Eligible Market");
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other undertakings for collective investment ("other UCIs") within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State or not, provided that:
    - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,
    - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - no more than 10% of the assets of the UCITS or of the other UCIs, whose

- acquisition is contemplated, can, according to their management regulations or instruments of incorporation, in aggregate be invested in units of other UCITS or other UCIs;
- d) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- f) money market instruments other than those dealt in on an Eligible Market, if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Union law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg regulator to be at least stringent as those laid down by Community law; or
  - issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies

which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under I (1) above.

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

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

- investments in transferable securities or money market instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania or by public international bodies of which one or more Member States are members.

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

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

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

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

The limits set out in sub-paragraphs a), b), c) and d) may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

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

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

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State , by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that the sub-fund's Shareholders benefit from sufficient protection and that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV.
  - a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF provided that it is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
  - b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets

within the meaning of Directive 2009/65/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("Regulated Markets") where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V.
- a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
  - b) The Fund may acquire no more than:
    - 10% of the non-voting shares of the same issuer;
    - 10% of the debt securities of the same issuer;
    - 25% of the units of the same UCITS or other UCI within the meaning of Article 2, paragraph (2) of the 2010 Law;
    - 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

The provisions of this paragraph V. are also waived as regards:

- shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country complies with the limits laid down in paragraph III. a) to e), V. a) and b) and VI
- shares held by one or more investment companies in the capital of subsidiary companies, which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

- VI.
- a) The Fund may invest up to 100% of any of its sub-fund's net assets in units of UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 20% of the sub-fund's net assets are invested in the units of a single UCITS or other UCI and subject to the limits set by the 2010 Law. For the purpose of the application of this investment limit, each compartment of a UCITS and/or UCI with multiple compartments within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
  - b) The underlying investments held by the UCITS or other UCIs in which the Fund invests

do not have to be considered for the purpose of the investment restrictions set forth under III. a) to e) above.

- c) When the SICAV invests in the shares / units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the SICAV investment in the shares / units of such other UCITS and/or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Fund as described in the preceding paragraph, the management fee (excluding any Performance Fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units/shares of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units/shares issued by the UCITS or other UCI concerned, all compartments combined.
- e) The Fund may not, in aggregate, invest more than 30% of any of its sub-fund's net assets in units of UCIs other than UCITS.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net value of the relevant Sub-Fund.

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

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. a) to e) above. When the Fund invests in index-based financial derivative instruments, these investments are not required to be combined to the limits laid down in paragraph III. a) to e).

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

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties.  
This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

- c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
  - d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that such investment does not represent more than 10% of its assets.
  - e) Where the Fund is authorised to borrow under points a) and d), that borrowing shall not exceed 15% of its assets in total.
  - f) The Fund may not acquire either precious metals or certificates representing them.
- IX.
- a) The Fund needs not comply with the limits laid down in this Section when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
  - b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
  - c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. a) to e), IV. and VI.

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## TECHNIQUES AND INSTRUMENTS

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The Fund is authorised for each Sub-Fund, in consideration of the risks factors set out in dedicated Section headed “Risks Factors”, to use techniques and instruments on transferable securities, money market instruments, currencies and other eligible assets on the condition that any use of such techniques and instruments be carried out for the purpose of hedging and/or efficient portfolio management, altogether within the meaning of the Grand-ducal Regulation of 8<sup>th</sup> February 2008. If a sub-fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant Sub-Fund.

### **I. Financial derivative instruments**

Each Sub-Fund may use financial derivative instruments (“**FDI**”) 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 section and the investment objective and policy of the Sub-Fund, as set out in its section headed “*Sub-Funds Details*”. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Each Sub-Fund is therefore in particular authorised to carry out transactions involving FDI and other financial techniques and instruments. FDI may include 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 a certain underlying 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) Equity swap: an equity swap is an agreement which consist of paying out (or receiving) to (from) the swap counterparty:



- i) a positive or negative price return of one security, a basket of securities, a stock; exchange index, a benchmark or a financial index;
- ii) an interest rate, either floating or fixed;
- iii) a foreign exchange rate; or
- iv) a combination of any of the above.

Against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Fund will not hold any security. The underlying asset category of the swap transactions entered into by the Fund will be indicated in the description of the investment policy of each Sub-Fund in the Section headed “*Sub-Funds Details*” to this prospectus.

The Fund may not enter into equity swap transactions unless:

- i) its counterpart is a recognized financial institution subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction;
- ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
- iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

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

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

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

- a) 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.
- b) 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.

The Fund may use CDS, where one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The *International*

*Swaps and Derivatives Association, Inc.* (“ISDA”) have produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use CDS in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under CDS without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with CDS purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in its exclusive interest, the Fund may also sell protection under CDS in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such CDS sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will only enter into CDS with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Fund will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

- c) Total return swaps: a total return swap or “**TRS**” is an agreement, as further below described, 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. Then TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRSs is possible, it is currently not contemplated.

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

The maximum and expected proportion of assets that may be subject to TRS will be set out for each Sub-fund in the relevant section headed “*Sub-Funds Details*”. If a Sub-fund intends to make use of TRS, the relevant section headed “*Sub-Funds Details*” will include the disclosure requirements of the SFTR.

- f) 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.

## A. OTC Financial Derivative Instruments

Each Sub-Fund may invest into FDI that are traded *over-the-counter* (“**OTC**”) including, without limitation, TRS or other FDI with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section of the Prospectus.

The counterparties to OTC FDI will be selected among recognized financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the annual report of the Fund.

The Management Company may use a process for accurate and independent assessment of the value of OTC FDI 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 FDI, the Sub-Fund may receive cash or other assets as collateral, as further specified in the paragraph II. C. below entitled “*Collateral management and policy for EPM Techniques*”.

## B. Financial indices and benchmark

Each Sub-Fund may use FDI 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 this section of the Prospectus 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 with all the criteria set forth in article 9 of the Grand-Ducal Regulation of 8 February 2008 and, 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, on the following basis:

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

Following the BMR, a “**Benchmark**” means any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of a Sub-Fund / Share Class with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

The use of a Benchmark should comply with the BMR and should be disclosed in the *Appendix II – Sub-Funds Details*.

The BMR requires further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

In accordance with the BMR, the Management Company will maintain an index contingency plan setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Also, the BMR requires the prospectus to provide clear and prominent information stating whether the Benchmark that may be used is provided by an administrator included in the register of administrators

and Benchmarks, as defined in the article 36 of the BMR (the “**Benchmark Register**”) or by administrators who benefits from the transitional period as authorized by the BMR and therefore may not appear in the Benchmark register for the time being (the “**Administrator(s)**”). EU Benchmark Administrators have until 1 January 2020 (the “**Transitional Period**”) to submit a request to be entered on the Benchmark Register.

Benchmarks may also be used by some funds for comparison purposes or as point of reference against which the performance of a fund may be measured but the funds may freely select the securities in which they invest. Given that the funds are actively managed and investment decisions are made at the discretion of the Investment Manager, the actual holdings and fund performance may differ materially from that of the benchmark(s).

In case the publication of the Benchmark has been stopped or where major changes in that Benchmark have occurred or if for some reason the Board of Directors feels that another benchmark is more appropriate, another Benchmark may be chosen. Any such change of benchmark will be reflected in an updated Prospectus.

The Benchmark Policy of the Management Company complying with Art. 28(2) of the BMR for actions to be taken in the event of material changes to, or cessation of, a benchmark, is available for the Shareholders of the Fund at the registered office of the Management Company.

## **II. Efficient portfolio management techniques**

Each Sub-Fund may opt to employ techniques and instruments (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and SFTR, provided that such techniques and instruments are used for the purposes of efficient portfolio management (“**EPM**”). The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

The efficient portfolio management techniques (“**EPM Techniques**”) that may be employed by the Sub-Funds in accordance with the below, include, without limitation, securities lending, repurchase agreements and reverse repurchase agreements as described below, which are also qualified as SFTs. In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending, repurchase or reverse repurchase transaction, the Sub-Fund will receive cash or other assets as collateral, as further specified in paragraph C below “*Collateral management and policy for EPM Techniques*”.

When investing in SFT and FDI relating to transferable securities and money market instruments, each Sub-Fund shall comply with applicable restrictions and in particular with CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, CSSF circulars 11/512 and 14/592, ESMA Guidelines 2014/937 and Section entitled “*Investment and Borrowing restrictions*” to this Prospectus.

The Fund's annual report should furthermore contain details of the following:

- the exposure obtained through EPM Techniques;
- the identity of the counterparty(ies) to these EPM Techniques;
- the type and amount of collateral received by the Fund to reduce counterparty exposure; and
- the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- the use of SFTs pursuant to the SFTR (if applicable), meaning: global data, concentration data, aggregate transaction data for each type of SFTs and TRS separately to be broken down as specified

by the regulation (EU) 2015/2365, safekeeping of collateral received by the collective investment undertaking as part of SFTs and TRS, safekeeping of collateral granted by the collective investment undertaking as part of SFTs and TRS, data on return and cost for each type of SFTs and TRS, and data on reuse of collateral.

Reuse means the use by a receiving counterparty, in its own name and on its own account or on the account of another counterparty, including any natural person, of financial instruments received under a collateral arrangement, such use comprising transfer of title or exercise of a right of use in accordance with Article 5 of Directive 2002/47/EC on financial collateral arrangements but not including the liquidation of a financial instrument in the event of default of the providing counterparty.

The Fund's semi-annual report should also contain details of the use of SFTs pursuant to the SFTR (if applicable) as specified for the annual report.

The use of FDI will cause a risk due to leverage. Considering the maximum of 10% of its net assets that a sub-fund may borrow, as indicated under Section “*Investment Restrictions*” VIII. a) above, the overall exposure of any sub-fund must not exceed 210% of the sub-fund’s net assets.

The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using FDI and EPM Techniques and financial techniques and instruments for other purposes than hedging. If the Investment Managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

All the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), net of direct and indirect operational costs and fees, will be returned to the Fund.

Each Sub-Fund may incur costs and fees in connection with EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs). In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be available in the annual report. The annual report of the Fund will contain also all details on the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), for the entire reporting period.

These operational costs may reach a maximum of 50 % of revenues arising from efficient portfolio management techniques and do not include hidden revenues.

The counterparties to the SFTs will be selected through a credit assessment tailored to the intended activity, which may include *inter alia*, a review of the management, liquidity, credit history, profitability, corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality. Approved counterparties will typically have a public rating of A- or above. While there won't be predetermined legal status applied in the selection of the counterparties, this element will typically be taken into account in the selection process.

In any case, the Fund, and relevant Sub-Fund will only enter into SFTs with such counterparties that are

considered as creditworthy and subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and that are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, unless otherwise disclosed in the Section headed "*Sub-Funds Details*" to this prospectus for a specific Sub-Fund.

The risks linked to the use of SFTs as well as risks linked to collateral management, such as operational, liquidity, counterparty and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in Section headed "*Risk Factors*".

Assets subject to SFTs will be safe-kept by the Depositary of the Fund.

The maximum and expected proportion (i) of assets that may be subject to SFTs and (ii) for each type of assets that are subject to SFTs will be set out for each Sub-Fund in the relevant Section headed "*Sub-Funds Details*". If a Sub-fund intends to make use of SFTs, the relevant Section headed "*Sub-Funds Details*" will include the disclosure requirements of the SFTR.

The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds. SFTs include in particular the following transactions:

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

(ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement within the meaning of item (iii) below;

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

(iv) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

#### **A. Securities lending and securities borrowing transactions**

The Fund may enter into securities lending and borrowing transactions in accordance with the following provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, of CSSF circular 11/512, CSSF circular 14/592 and ESMA Guidelines 2014/937:

- (i) The Fund may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) In relation to its lending transactions, the Fund shall receive a guarantee of a value which, at the conclusion and during the lifetime of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Fund until the lending contract expires. More specifically, the guarantee could take the form of:

- Liquidity and Cash deposits (defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC) or financial instruments equivalent to cash
  - Bond issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope as well as bonds issued by non-governmental issuers offering an adequate liquidity with a minimum rating of BBB+ by Standard & Poors or Baa1 by Moody's at the time of purchase (Investment Grade).
  - Shares and convertible bonds which are comprised in a main index
  - Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA by Standard & Poors or its equivalent, at the time of purchase.
- (iii) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the sub-fund concerned. This limit does not apply when the Fund has the right to terminate the contract at any time and obtain restitution of the securities lent.
  - (iv) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the sub-fund concerned.

- (v) The Fund may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the Fund is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Depository fails to perform its obligation to deliver the securities in question.
- (vi) (The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions (as described below under (2)) shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.
- (vii) Combined risk exposure to a single counterparty arising from one or more securities lending transactions and / or repurchase transactions (as described below under “*Repurchase Transactions*”) may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the law of 17th December 2010 or 5% of its assets in any other cases.
- (viii) When entering into a securities lending agreement, the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement

#### **B. Repurchase Transactions**

The Fund may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of Circular 08/356, CSSF circular 11/512, CSSF circular 14/592, ESMA Guidelines 2014/937 and Section headed “*Investment and Borrowing restrictions*”, on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Fund may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

- (i) The Fund may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) Throughout the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.



- (iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.
- (iv) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions (as described above under (1)) shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.
- (v) Combined risk exposure to a single counterparty arising from one or more securities lending transactions (as described above under point A. “*Securities lending and securities borrowing transactions*”) and / or repurchase transactions may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41, paragraph (1) (f) of the law of 17th December 2010 of 5% of its assets in any other cases.

When entering into a reverse repurchase agreement, the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund. When entering into a repurchase agreement, the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

### **C. Collateral management and policy for EPM Techniques**

The Fund shall comply with the requirements provided by the provisions laid down in the Circular CSSF 14/592 and set out below when entering into management of collateral for OTC financial derivative transactions and efficient portfolio management techniques ((and which modify the Box 26 of the existing guidelines on Risk Measurement and Calculation of Global Exposure and Counterparty Risk for UCITS (Ref. CESR/10-788)) as well as the provisions laid down in SFTR.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive.

All assets received by the Sub-Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria laid down in paragraph below.

Where a Sub-Fund enters into OTC FDI transactions and EPM Techniques, the Sub-Funds will only accept the following assets as collateral:

- (i) Liquid assets. Liquid assets include cash, short term bank certificates and money market instruments as defined within the Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities

or by supranational institutions and undertakings with EU, regional or world-wide scope.

- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
- (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the purpose of the above paragraph, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Furthermore, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive.

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place

c) Issuer credit quality – collateral received should be of high quality (as above described).

d) Correlation – the collateral received by the Sub-Fund 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.

e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in its prospectus. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities that they are able to accept as collateral for more than 20% of their net asset value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

The collateral eligibility requirements set out above stem from the ESMA Guidelines 2014/937 and CSSF circular 14/592.

Cash collateral received should only be:

- placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.

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

Non-cash collateral received should not be sold, re-invested or pledged.

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral management risks are further described in the Section headed “*Risks Factors*” of the Prospectus.

#### **D. Haircut Policy**

For each of these financial instruments, the following discount rates will be applied (the Management Company reserves the right to vary this policy at any time):

- Cash in a currency other than the currency of exposure: **10%**
- Shares and shares of a UCI: **20%**
- Debt instruments at least investment grade: **15%**
- Non-investment grade debt securities and corporate bonds: **40%**

The Risk Management makes sure that the collateral used to mitigate counterparty risk is not sold, reinvested or pledged.

A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- Design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- Reporting frequency and limit/loss tolerance threshold; and

- Mitigation actions to reduce loss including haircut policy and gap risk protection.

A Sub-Fund should have in place a clear haircut policy adapted for each class of assets received as collateral.

When devising the haircut policy, a Sub-Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

The prospectus should also clearly inform investors of the collateral policy of the Fund. This should include permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, re-investment policy (including the risks arising from the re-investment policy).

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**INVESTMENT IN ONE OR MORE OTHER SUB-FUNDS OF THE FUND**

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Pursuant to Article 181 (8) of the 2010 Law, any sub-fund of the Fund may, subject to the conditions provided for in the Articles of Incorporation, subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Fund without the Fund being subject to the requirements of the 1915 Law, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- no more than 10% of the assets that the target Sub-Funds whose acquisition is contemplated may be invested pursuant to the Instruments of Incorporation in shares of other target Sub-Funds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management, subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.

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## **RISK MANAGEMENT PROCESS**

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The Management Company, on behalf of the Fund, will employ 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 each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

As part of the RMP within the meaning of the applicable CSSF Circular 11/512 and the ESMA Guidelines 10-788, the Management Company will calculate the global exposure of each Sub-Fund on a daily basis despite of NAV frequency. This global exposure, depending on the risk profile of each sub-fund could be calculated using the Commitment Approach or the Value at Risk Approach (the “VaR Approach”), either relative or absolute.

The Commitment approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging.

The VaR approach quantifies the maximum potential loss that a UCITS could suffer within a certain time horizon and a given level of confidence under normal market conditions. The Management Company shall use a one month (20 days) Historical VaR with one year of history and a confidence level of 99%.

The risk profile will be evaluated by the Risk Management department of the Management Company, the result of this evaluation will be communicated to the Board of the Fund that will confirm the approach chosen or propose a new one. More specifically, the selection of the approach will result from the investment policy and strategy of each Sub-Fund (including its use of financial derivative instruments). The approach chosen for each Sub-Fund could be found in Appendix II – Sub-Funds Specific Risk Details of the present prospectus. In case of a VaR approach, the expected level of leverage as well as the benchmark or the appropriate mix of assets (if managed with a relative VaR approach) will be indicated. The expected level of leverage will be calculated as the sum of notionals but could be completed by the commitment approach.

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## SHARES

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Within the meaning of Article 181 of the 2010 Law, the Fund may issue within each Sub-Fund one or more classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but may differ, inter alia, in respect of specific sales and redemption charge structure, management charge structure, distribution policy, hedging policy or any other features as the Board of Directors shall from time to time determine in respect of each Sub-Fund.

Currently, the Board of Directors may decide to issue within each Sub-Fund, the four following Classes of shares as further described in Appendix I – Sub-Funds features to this Prospectus.

- Class R: available to retail investors;
- Class P: available to retail shareholders subscribing through agents specifically authorized by the Board of Directors;
- Class I: available to Institutional Investors;
- Class L: All investors - Listed and tradable on *Borsa Italiana S.p.A (ATFund)*.

In accordance with the above, the Shares are further sub-divided into two categories, Distribution Shares and Accumulation Shares, as further described under section ***Distribution Policy*** and detailed in Appendix I – Sub-Funds features to this Prospectus.

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## LISTING ON BORSA ITALIANA SPA – ATFUND MARKET

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*ATFund* is the new multilateral trading facility (MTF) of *Borsa Italiana S.p.A* launched on 1<sup>st</sup> October 2018, following the simultaneous closing of the segment dedicated to the trading of open-end funds *ETFplus* market where it is possible to negotiate UCITS in the meaning of the Directive, which have received Consob (the Commissione Nazionale per le Società e la Borsa “Consob” is the public authority responsible for regulating the Italian financial markets) or Bank of Italy authorization or, in the case of EU UCITS, have an authorization from the home supervisory authority and are duly registered for sale in Italy.

For the avoidance of any doubt, the Sub-Funds are not exchange traded fund (ETF) as further detailed under circular CSSF 14/592 on the *Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues*.

Share classes L of the following Sub-Funds are compliant with *Borsa Italiana S.p.A.* requirements and were therefore listed and tradable on the segment of the *ETFplus* market devoted to undertakings for collective investments:

- *Finlabo Investments Sicav – Dynamic Emerging Markets;*
- *Finlabo Investments Sicav – Dynamic US Equity;*
- *Finlabo Investments Sicav – Dynamic Equity;*
- *Finlabo Investments Sicav – Dynamic Allocation.*

The Sub-Funds requested the transfer of their share classes L from the regulated *ETFPlus* market to the new *MTF ATFund* according to the rules and procedure authorised by *Borsa Italiana S.p.A.*

The main features of *ATFund* are the same than the arrangements applied on the former segment of *ETFPlus* market, both in terms of market operation and rules for the participants, as follows:

- Orders must display the quantity only;
- Minimum Initial Investment is 1 share (no decimal available);
- Orders are executed at the NAV of the relevant Valuation Day, with the last available prices of such Valuation Day;
- The presence of an *appointed intermediary* is mandatory in order to execute the buy and sell order imbalance.

*Intermonte SIM S.p.A*, whose registered office is at Corso Vittorio Emanuele, 9 - Milan, and registered at no. 06817880013 on the Milan Company Register, is an authorised broker for the performance of negotiation services according to the Italian Decree Law no. 58 of 24<sup>th</sup> February 1998 on financial brokerage.

*Intermonte SIM S.p.A* has been appointed by the Fund as *appointed intermediary* in order to comply with



the requirements of *Borsa Italiana SIM S.p.A.*

For any further information, please visit *Borsa Italiana S.p.A.* website [www.borsaitaliana.it](http://www.borsaitaliana.it)

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## **DISTRIBUTION POLICY**

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The Board of Directors may also decide to issue within the same class of Shares or Sub-Fund, two categories of Shares, being Distribution Shares and Accumulation Shares.

There may be tax implications in investing in one or the other of the categories of Shares.

### **Distribution Shares**

The Distribution Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, distributed by way of dividend.

The general meeting of holders of Distribution Shares in the Sub-Funds shall decide upon the proposals made by the Board of Directors on this matter. Should the Board of Directors decide to propose the payment of a dividend to the general meeting, such dividend shall be calculated in accordance with the legal and statutory limits for this purpose.

As far as Distribution Shares are concerned, the Board will propose the distribution of a dividend within the limits of their available assets. This dividend may include, besides the net investment income, the realised and unrealised capital gains after deduction of realised and unrealised capital losses. The Board of Directors may also decide the payment of an interim dividend of the previous or the current year in accordance with the legal provisions applicable.

Shareholders are paid by bank transfer sent to the address indicated in the Shareholders' register according to their instructions.

Each Shareholder is offered the possibility to reinvest his dividend free of charge up to the available Share unit.

Dividends not claimed within five years after their payment shall no longer be payable to the beneficiaries and shall revert to the Fund.

All dividend payment notices are published in a newspaper as required by law or if deemed appropriate by the Board of Directors.

### **Accumulation Shares**

The Accumulation Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, retained within the Sub-Fund thereby accumulating value in the price of the Accumulation Shares. The income will be reinvested.

Categories of Shares issued by the relevant Sub-Funds and available for subscription are detailed in the Appendix to the Prospectus.

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## ISSUE, REDEMPTION AND CONVERSION OF SHARES

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"Late Trading" is to be understood as the acceptance of a subscription, conversion or redemption orders after the cut-off time on the relevant Valuation Day and the execution of such orders at the price based on the net asset value per share applicable to such Valuation Day. To deter such practice, the Board of Directors takes the necessary measures to prevent that subscriptions, conversions or redemptions be accepted after the cut-off time in Luxembourg and that the net asset value per share is calculated after the cut-off time ("forward pricing").

The repeated purchase and sale of shares designed to take advantage of pricing inefficiencies in the Fund – also known as “Market Timing”- may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund’s long term Shareholders. To deter such practice, the Board of Directors reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription, redemption or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

### **1. Issue of Shares**

Initial offer details for new Sub-Funds are disclosed in the Section Sub-Funds details and in the Appendix I – Sub-Funds features to this Prospectus.

Unless otherwise provided for a Sub-Fund in the Section Sub-Funds Details to this Prospectus and in Appendix I – Sub-Funds details to this Prospectus, subscriptions for shares in each Sub-Fund can be made on any Bank Business Day. Applications for subscriptions will normally be satisfied, if accepted, on a Valuation Day, provided that the application is received by noon (Luxembourg time) on such Valuation Day.

Applications notified after this deadline will be satisfied on the next following Valuation Day.

The subscription price is payable within three Bank Business Days following the applicable Valuation day.

Applications for subscriptions must be sent in writing, fax or swift to the Administrative Agent or with any other appointed agent (if sent by fax or by electronic means to be followed promptly by the original

by post only for the first subscription and with the mention “already faxed”).

For each sub-fund shares are in registered form only. Shares may be held through accounts maintained with clearing houses.

Shares in registered form are dematerialised.

The Fund may issue fractional shares (*thousandths*). In case fractional registered shares are issued, a confirmation of subscription shall be issued.

Shares must be fully paid-up and are issued with no par value. There is no restriction with regard to the number of shares which may be issued.

The inscription of the shareholder’s name in the shareholders' register evidences his right to ownership of such registered shares. The shareholders' register is kept at the registered office of the Registrar and Transfer Agent.

Applications for subscription may, at the subscriber's choice, pertain to a number of shares to be subscribed or to an amount to be invested in the Fund. Only in this latter case, fractional shares might be issued.

The rights attached to the shares are those provided for in the 1915 Law, as amended, unless superseded by the 2010 Law.

All shares of the Fund have an equal voting right, whatever their value (except that portion of a share that is a fractional share). The shares of the Fund have an equal right to the liquidation proceeds of the Fund.

The countries where the Fund is distributed may decide to apply minimum subscription amounts as described in the local documents in force.

The minimal initial subscription in any Sub-Fund is specified in Appendix I – Sub-Funds features to this Prospectus. The holding value in each Sub-Fund may only fall below such minimum as a result of a decrease of the net asset value per share of the Sub-Fund concerned.

Shares shall be allotted at the net asset value per share dated as of the Valuation Day. A subscription fee expressed as a percentage of the net asset value per share may be charged to the investors by the appointed entities acting in relation to the distribution/marketing of the Shares as described in the section *Sub-Funds Details*.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Subscription payments will be made in the currency of the relevant Share Class.

Shares may be subscribed against contributions in kind considered acceptable by the Board of Directors on the basis of the investment policy of the relevant Sub-Fund and will be valued in an auditor's report as required by Luxembourg law. The relevant fees will be paid by the subscriber.

The Fund reserves the right to:

- accept or refuse any application in whole or in part and for any reason;
- repurchase, at any time, shares held by persons not authorised to buy or own the Fund's shares.

The Fund may also limit the distribution of shares of a given Sub-Fund to specific countries.

The Fund has delegated to the Management Company the administration and marketing services in respect of all the sub-funds. Pursuant to such delegation, the Management Company or its delegates will monitor the prevention of anti-money laundering measures. Measures aimed at the prevention of money laundering may require an applicant for shares to certify its identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations. Thus, for the subscription to be valid and acceptable by the Fund, shareholders shall attach the following documents to the application forms, as well as any additional documents as requested from time to time by the Administrative Agent in compliance with the applicable laws and regulation in Luxembourg:

- if the investor is a *physical person*, a copy of one of his/her identification documents (*passport or ID card*), or
- if the investor is a *legal entity*, a copy of its corporate documents (*such as the articles, published balances, excerpt of the Trade Register, ...*) and the copies of the identification documents of its economic eligible parties (*passport or ID card*).

These documents shall be certified true copies of the originals by a public authority (*ex. notary, police, embassy, etc*) of the country of residency.

This requirement is mandatory, except if:

- the application form is sent through another professional of the financial sector established in a FATF State and that this professional has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law, and
- a delegation contract of the identification obligations has been signed between such professional and the Administrative Agent or EFA.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Data

Protection Law. In particular, such process of personal data or information implies that subscribing the Fund, Shareholders consent that their personal data or any information relating to them be disclosed (i) to any entity of the promoter's group and any affiliate, or (ii) to any authority in any country when required by law or regulation.

The Fund shall normally issue confirmations of shareholding to the holder of shares unless Shareholders specifically request the issue of share certificates. The inscription of the shareholder's name in the register of Shareholders evidences his right of ownership of such registered shares.

Confirmation of completed subscriptions will be mailed at the risk of the investor, to the address indicated in the subscription form within seven Bank Business Days following the issue of the shares.

Issue of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section "*General Information*".

## **2. Conversion of Shares**

Conversion of Shares involving Class L is not allowed.

Subject to any suspension of the determination of the net asset values concerned and to compliance with any eligibility conditions, Shareholders have the right to convert all or part of the shares they hold in any Sub-Fund/Class of shares into shares of another existing Sub-Fund/Class of shares by making a request in writing, by fax to the Administrative Agent indicating the number and the reference name of the shares to be converted.

The conversion request must be received by noon (Luxembourg time) on the applicable Valuation Day and must be accompanied, as the case may be, by a duly filled out transfer form, or by any document vouching for the transfer.

Requests received after this deadline will be satisfied on the next following Valuation Day.

Shares will be cancelled and issued on the same day and the number of shares issued upon conversion will be based upon the respective net asset values of the shares of the two Sub-Funds concerned dated as of the Valuation Day.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

If the net asset values concerned are expressed in different currencies, the conversion will be calculated by using the exchange rate applicable on the relevant Valuation Day on which the conversion is to be effected.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned,

conversions may be effected in kind by transfer of a representative selection of the original Sub-Fund's/Class of shares' holding in securities and cash pro rata to the number of shares converted, to the receiving Sub-Fund/Class of shares having a compatible investment policy as certified by the auditor of the Fund.

Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

The number of shares allocated in the new sub-fund or class of Shares shall be established as follows:

$$A = \frac{(B \times C \times D) \pm X_p}{E}$$

Where:

- A number of shares allotted in the new sub-fund/class;
- B number of shares presented for conversion in the original sub-fund/class;
- C net asset value, on the applicable Valuation day, of the shares of the original sub-fund/class, presented for conversion;
- D exchange rate applicable on the day of the operation between the currencies of both classes of shares;
- E net asset value on the applicable Valuation day of the shares allotted in the new sub-fund/class;
- Xp balance, applied or not, at the choice of the Shareholder. It may be inapplicable and, in such case, reimbursed to the shareholder.

On the other hand, it may be considered to be a fraction for which the shareholder has to pay - within the time limits provided for the payment of subscriptions - the difference in relation to the net asset value of the new sub-fund so as to obtain a full number of shares. Finally, it may represent a fraction of a share.

After the conversion, the Fund shall inform the shareholders of the number of new shares obtained at conversion as well as their price.

In addition, if, as a result of a conversion, the value of a Shareholder's remaining holding in the original Sub-Fund/Class of shares would become less than the minimum holding referred to for each Sub-Fund/Class of shares in Appendix I – Sub-Funds features to this Prospectus, the relevant Shareholder will be deemed to have requested the conversion of all of his shares.

### ***Restrictions on subscriptions or conversions in into certain sub-funds***

A sub-fund may be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if, in the opinion of the Management Company or of the Fund, this is necessary to protect the interests of existing shareholders. One such circumstance would be where the sub-fund's assets have reached a size such that the capacity of the market and/or the capacity in the strategy applied by the Investment Manager have been reached, and where permitting further inflows would be detrimental to the performance of the sub-fund.

Any sub-fund which, in the opinion of the Management Company or of the Fund, is materially capacity constrained may be closed to new subscriptions or conversions without notice to shareholders. Investors should confirm with the Management Company or the Administrative Agent the current status of sub-

funds. At the time of the present prospectus, no specific sub-fund has been identified as having the potential to become capacity constrained.

Investors should contact the Management Company prior to making an investment decision in the sub-funds listed above, to assess whether or not such sub-funds are closed to new subscriptions/conversions in. Once closed to new subscriptions or conversions in, a sub-fund will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail and significant capacity is available within the sub-fund for new investment.

### **3. Redemption of Shares**

Any Shareholder may present to the Administrative Agent his request for redemption by number of shares or by amount to be redeemed. The redemption can be done in part or whole on any Valuation Day.

Redemption requests received until noon (Luxembourg time) on such Valuation Day (the “Cut-off time”) will be executed at the net asset value per share determined on that Valuation Day. Redemption requests received after the Cut-off time will be executed on the following Valuation Day.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Redemption payments will be made in the currency of the relevant Shares Class at the latest on the third Bank Business Day following the applicable Valuation Day.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned redemptions may be effected in kind. Shareholders are free to refuse the redemption in kind and to insist upon cash redemption payment in the reference currency of the Share Class. Where Shareholders agree to accept redemption in kind they will, to the extent possible, receive a representative selection of the Sub-Fund's holding in securities and cash pro rata to the number of shares redeemed. The value of the redemption in kind will be certified by an auditor's certificate drawn up in accordance with the requirements of Luxembourg law. Any expenses incurred for redemptions in kind shall be borne by the Shareholders concerned.

If, as a result of a redemption, the value of a Shareholder's holding in a Sub-Fund would become less than the minimum holding referred to for each Class of shares in Appendix I – Sub-Funds Details to this Prospectus, the relevant Shareholder will be deemed (if so decided from time to time by the Board of Directors) to have requested redemption of all of his shares. Also, the Board of Directors may, at any time, decide to compulsorily redeem all shares from Shareholders whose holding in a Sub-Fund is less than the minimum holding referred to above. In case of such compulsory redemption, the Shareholder concerned will receive a one-month prior notice so as to be able to increase his holding above the minimum holding at the applicable net asset value.

Where redemption requests received for one Sub-Fund on any Valuation Day exceed 10% of the net assets thereof, the Board of Directors may delay the execution, or may only partially execute such



redemption requests. Any shares which, by virtue of this limitation, are not redeemed as at any particular Valuation Day shall be carried forward for realisation on the next following applicable Valuation Day in priority to subsequent requests.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

Redemption of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section "*General Information*".

A Shareholder may not withdraw his request for redemption of shares of any one Sub-Fund except in the event of a suspension of the determination of the net asset value of the shares of such Sub-Fund and, in such event, a withdrawal will be effective only if written notification is received by the Administrative Agent before the termination of the period of suspension. If the request is not withdrawn, the Fund shall proceed to redemption on the first applicable Valuation Day following the end of the suspension of the determination of the net asset value of the shares of the relevant Sub-Fund.

The redemption price for shares of the Fund may be higher or lower than the purchase price paid by the shareholder at the time of subscription due to the appreciation or depreciation of the net assets.

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## MANAGEMENT AND FUND CHARGES

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The Management Company will receive a **Management Company Fee, up to 0,10% max. with an additional flat fee up to EUR 150'000.00- per annum, a Management Fee** for each Sub-Fund as described in the Section Sub-Funds Details and in Appendix I – Sub-Funds features to this Prospectus.

The Management Company Fee and the Management Fee per annum are calculated on the net assets of the Sub-Fund for the provision of the Management Company services. The Management Company will remunerate the Investment Manager out of the Management Fee.

The Investment Manager will receive, from the Fund, a **Performance Fee** for each Sub-Fund as described in the Section Sub-Funds Details and in Appendix I – Sub-Funds features to this Prospectus.

The Management Company will invoice the Fund for marketing expenses, web-site development, legal and distribution support or other services requested by the Fund, as further disclosed in the Fund Management Agreement.

The Depositary will receive a remuneration based on the average net assets of each Sub-Fund of up to a maximum of 0.055% p.a. payable monthly.

In case a Sub-Fund opened an external account the Depositary's network, the Depositary may charge an annual fee amounting to a maximum of up to EUR 1000 per account.

Sub-custody fees and transaction fees are charged separately.

The Administrative Agent will receive an **Administration Fee** at the Fund level as described in Appendix I – Sub-Funds features to this Prospectus. The Administration Fee is calculated monthly and based on the average net assets of the Sub-Fund during each month, and payable at the Fund level.

The Fund bears its operational costs including but not limited to the cost of buying and selling portfolio securities, settlement fees, governmental fees, taxes, fees and out-of-pocket expenses of its Directors, including their insurance cover, legal and auditing fees, publishing and printing expenses, marketing expenses and website development and up-dating, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders, postage, telephone and telex. The Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other registration fees, as well as, all expenses connected to the authorisation of the Fund, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred by the implementation and compliance with regulatory requirements). All expenses are taken into account in the determination of the net asset value of the shares of each Sub-Fund.

All fees, costs and expenses to be borne by the Fund will be charged initially against the investment income of the Fund.

Fees and expenses set forth under section headed “Management and Fund charges” shall be deemed to exclude VAT. Where applicable, VAT may additionally be charged.

The organisation expenses of the Fund shall be amortised over the first 5 (five) accounting years. These expenses will be paid pro-rata on the net assets of the Sub-Funds in existence at the time of incorporation of the Fund. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses which may also be amortised over 5 (five) accounting years.

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## TAXATION

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### 1. Taxation of the Fund

In accordance with the law in force and current practice, the Fund is not liable to any Luxembourg tax on income and capital gains.

However, the Fund is subject to an annual tax in Luxembourg corresponding to 0.05% of the value of the net assets. This tax is payable quarterly on the basis of the Fund's net assets calculated at the end of the relevant quarter. The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of shares reserved to Institutional Investors. To the extent that the assets of the Fund are invested in investment funds established in Luxembourg, no such tax is payable.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

### 2. Taxation of the Shareholders

As of the date of the registration of the Fund, Shareholders are not subject to any such tax in Luxembourg on capital gains, income, donations or inheritance, nor to withholding taxes, subject to the EU Tax Considerations below or with the exception of shareholders having their domicile, residence or permanent establishment in Luxembourg, and certain Luxembourg ex-residents, owning more than 10% of the Fund's capital.

The provisions above are based on the law and practices currently in force and may be amended.

### 3. European Union Tax Considerations

The law passed by parliament on 21<sup>st</sup> June 2005 (the "Law") has implemented into Luxembourg law, Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (referred to as "Savings Directive"). Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the

dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Dividends, if any, distributed by a Sub-Fund of the Fund will be subject to the Savings Directive and the Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the disposal of shares will be subject to the Savings Directive and the Law if more than 25% of the relevant Sub-Fund's assets are invested in debt claims.

On 25 November 2014, Luxembourg enacted a law relating to the automatic exchange of information on interest payments from savings income (the "Exchange of Information Law") modifying the Law. The Exchange of Information Law abolished the transitional period during which the Luxembourg was entitled to levy a withholding tax on interest payments.

As from 1 January 2015, Luxembourg applied the automatic exchange of information on interest payment made by a Luxembourg paying agent to individuals resident in other Member States.

***The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice.*** Potential subscribers should inform themselves and, if necessary, take advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and sale of their shares in the country of respectively their citizenship, residence or domicile.

#### **4. FATCA**

##### *a) General Rules and Legal background*

FATCA is part of the U.S. Hiring Incentives to Restore Employment Act. It is designed to prevent U.S. tax payers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so-called Foreign Financial Institutions ("**FFIs**"), which notably include certain investment vehicles ("Investment Entities"), among which UCITS.

According to the FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to report to the IRS certain holdings by/ and payments made to a/ certain U.S. investors b/ certain U.S. controlled foreign entity investor, c/ non U.S. financial institution investors that do not comply with their obligations under FATCA and d/clients that are not able to document clearly their FATCA status.

On March 28th, 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions (the "Luxembourg IGA" or the "IGA").

According to the terms of the IGA, Reporting Luxembourg FFIs will have to report to the Luxembourg tax authorities instead of directly to the IRS. Information will be communicated onward by the Luxembourg authorities to the IRS under the general information exchange provisions of the U.S. Luxembourg income tax treaty.

The Luxembourg law of 24 July 2015 transposing the Luxembourg IGA was published on 29 July 2015.

*b) Other parties*

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the U.S. Investors holding investments via distributors or custodians that are not in Luxembourg or in another IGA country should check with such distributors or custodians as to the distributor's or custodian's intention to comply with FATCA. Additional information may be required by the Company, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

The foregoing is only a summary of the implications of FATCA, is based on the current interpretation thereof and does not purport to be complete in all respects.

Shareholders and prospective investors should contact their own tax adviser regarding the application of FATCA to their particular circumstances.

*c) FATCA Status*

The Fund has elected for the FATCA status of "Sponsored Investment Entity" under the Luxembourg IGA and has appointed the Management Company as its "Sponsoring Entity". The Fund will hence qualify as "Non-Reporting/Deemed-compliant FFI" under the terms of the IGA and will not need to register with the IRS/obtain a GIIN number unless "US reportable accounts" are identified.

As registered "Sponsoring Entity" towards the IRS, the Management Company will act as "Sponsoring entity" for the Fund and will perform on its behalf all due diligence, withholding, reporting and other requirements that the Fund would have been required to perform in order to comply with the Luxembourg IGA as implemented into Luxembourg national law and regulation.

As part of its reporting obligations, the Fund/the Management Company (or its delegates) may be required to disclose certain confidential information (including, but not limited to, the investor's name, address, tax identification number, if any, and certain information relating to the investor's investment in the Company self-certification, GIIN or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with FATCA, related IGA or other applicable law or regulation.

The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA, as transposed in Luxembourg law, places upon it.

## **5. Common Reporting Standard considerations**

The Organisation for Economic Cooperation and Development (the **OECD**) developed a common reporting standard (**CRS**) to achieve a comprehensive and multilateral automatic exchange of information (**AEOI**) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Shareholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis, a Council Directive 2014/107/EU amending the Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the **Euro-CRS Directive**) has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the EU Member States for the data relating to calendar year 2016.

In addition, Luxembourg tax authorities signed the OECD's multilateral competent authority agreement (**Multilateral Agreement**) to automatically exchange information under the CRS. In that respect, the Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters (the 2015 Tax Law) has been published in the Official Journal on 24 December 2015. The 2015 Tax Law transposes Euro-CRS Directive and entered into force on 1 January 2016.

Under the 2015 Tax Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Fund may be required to run additional due diligence process on its Shareholders and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable.

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

The Fund qualifies as a reporting financial institution subject to CRS.

As part of its reporting obligations, the Fund and/or the Management Company (or its delegates) may be required to disclose certain confidential information (including, but not limited to, the Shareholder's name, address, tax identification number, if any, and certain information relating to the Shareholder's investment in the Fund self-certification or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with CRS or other applicable law or regulation.

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## INFORMATION FOR GERMAN INVESTORS

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Pursuant to the German Investment Code (*Kapitalanlagegesetzbuch*, hereinafter referred to as “KAGB”) as amended from time to time, the Management Company has notified the German Supervisory Authority (the “BaFin”) of its intention to market the Fund publicly in the Federal Republic of Germany.

**GerFIS - German Fund Information Service UG (Haftungsbeschränkt), having its registered office Zum Eichhagen 4, 21382 Brietlingen, Germany**, shall assume the function of information agent of the Fund within the meaning of the KAGB (the “Information Agent”), insofar as and so long as the BaFin does not prohibit the sale and distribution of the Fund in the Federal Republic of Germany.

### **Information regarding the Information Agent in Germany**

The following documents concerning the Fund may be inspected and obtained free of charge from the registered office of the Information Agent and are published on the Management Company’s website:

1. the Articles of Incorporation;
2. the latest Prospectus;
3. the latest KiiD;
4. the latest annual and half-yearly accounts.

All those documents are available in a language that is customary in the sphere of international finance i.e. in English. The KiiD is available in German.

The issue and redemption prices as well as other information and documents (e.g. the relevant contracts) which are required to be published in Luxembourg are available for inspection at or may be obtained free of charge from the Information Agent.

### **Redemption of Shares, payments to Shareholders**

Redemptions of Shares and payments to the Shareholder in Germany (redemption proceeds, any distributions and other payments) are affected through the entities maintaining the securities accounts of the Shareholders. Printed individual certificates are not issued.

### **Manners in which the issue, sale, redemption or repurchase price of shares of the Fund will be made public and other useful information**

The issue and redemption prices are published on the Management Company’s website at the following address: [www.casa4funds.com](http://www.casa4funds.com).

Investors are provided with information by means of the website of the Management Company concerning:

- Any suspension of the redemption of the Fund’s shares;



- Any termination of the Fund Management Agreement or the winding-up of the Fund;
- Amendments to the Fund's Articles of Incorporation which are inconsistent with the existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the Fund's assets, including the reasons for the amendments and the rights of investors;
- The merger of the Fund in the form of information on the proposed merger which shall be drawn up in accordance with the Directive 2009/65/EC, as amended;
- The conversion of the Fund into a feeder fund or any change to a master fund in the form of information which shall be drawn up in accordance with the Directive 2009/65/EC.

In addition, according to article 167 of the KAGB, shareholders in Germany will also be notified by means of a durable medium in the aforementioned cases.

**Sub-Fund that may be marketed in the Federal Republic of Germany**

Finlabo Investments Sicav – Dynamic Equity

**Sub-Funds NOT marketed in the Federal Republic of Germany**

No notification has been filed with the BaFin for the distribution of the following Sub-Funds in Germany:

**Finlabo Investments Sicav – Dynamic Emerging Markets**

**Finlabo Investments Sicav – Dynamic US Equity**

**Finlabo Investments Sicav – Dynamic Allocation**

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## GENERAL INFORMATION

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### 1. Organisation

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV) in accordance with Part I of the 2010 Law. The Fund has been incorporated in Luxembourg on 20<sup>th</sup> April 2010 for an unlimited period under the name of "FINLABO INVESTMENTS SICAV" with an initial share capital of EUR 31'000. Its Articles of Incorporation have been published in the Mémorial on 27<sup>th</sup> April 2010. The Articles of Incorporation have been amended for the last time on 9<sup>th</sup> January 2018 and will be published in the *Recueil Electronique des Sociétés et Associations* on 19<sup>th</sup> February 2018.

The Fund is registered with the Registre de Commerce et des Sociétés, Luxembourg, under number B 152579.

The Articles of Incorporation and a legal notice in respect of the issue and sale of shares by the Fund have been filed with the Registre de Commerce et des Sociétés of Luxembourg.

The minimum capital of the Fund required by Luxembourg law is EUR 1'250'000.

### 2. The Shares

The shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The rules governing such allocation are set forth under section 5 "*Allocation of Assets and Liabilities among the Sub-Funds*" thereafter. The shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Fund become null and void.

The Fund may restrict or prevent the ownership of its shares by any person, firm or corporation, if such ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders. Where it appears to the Fund that a person who is precluded from holding shares, either alone or in conjunction with any other person, is a beneficial owner of shares, the Fund may proceed to compulsory redemption of all shares so owned.

### 3. Meetings

The annual general meeting of shareholders is held each year at the Fund's registered office or at any other place in Luxembourg specified in the convening notice.

The annual general meeting of Shareholders shall be held within four months following the financial year end, in accordance with any applicable Luxembourg Law. Convening Notices of all, ordinary and

extraordinary, general meetings shall be sent by registered letters to all shareholders to their address indicated in the shareholders' register, at least eight days before the general meeting.

These notices shall indicate the time and place of the general meeting, the conditions for admission, the agenda and the prescriptions of the Luxembourg law regarding quorum and majority.

Such notices may be published in the *Recueil Electronique des Sociétés et Associations* and/or any newspaper(s) as deemed necessary by the Board or required by any applicable laws and regulations of the countries where the Shares of the Fund are registered for sale.

Each share confers the right to one vote. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

#### **4. Reports and Accounts**

Every year, the Fund publishes a detailed report on its activities and the management of its assets, including the balance sheet and consolidated profit and loss accounts and the report of the independent auditor.

Furthermore, at the end of each half-year, it shall establish a report including *inter alia*, the composition of the portfolio, statements of portfolio changes during the period, the number of shares outstanding and the number of shares issued and redeemed since the last publication.

The reports shall be made available at the registered offices of the Fund during ordinary office hours and if required they may be sent to registered shareholders. The Fund's accounting year ends on 31<sup>st</sup> March of each year. The first audited annual report was issued for the financial year ending on 31<sup>st</sup> March 2011. A first semi-annual report was issued on 30<sup>th</sup> September 2010.

The Accounting Currency of the Fund is the Euro ("EUR"). The aforesaid reports will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

#### **5. Allocation of assets and liabilities among the Sub-Funds**

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (b) where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset,

the increase or diminution in value is applied to the relevant pool;

- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;

If there have been created within each Sub-Fund different classes of shares, the rules shall *mutatis mutandis* apply for the allocation of assets and liabilities amongst Classes.

## **6. Determination of the Net Asset Value of Shares**

Unless otherwise disclosed in the Section Sub-Funds Details and in the Appendix I – Sub-Funds features to this Prospectus, the net asset value of the shares of each Sub-Fund is determined every day in its reference currency. It shall be determined by dividing the net assets attributable to each Sub-Fund by the number of outstanding shares of such Sub-Fund on the Valuation Day. Where a Valuation Day falls on a public holiday (legal or bank) in Luxembourg, the Valuation Day is the following Luxembourg Bank Business Day. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets of the Fund shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, 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 Fund may consider appropriate in such case to reflect the true value thereof;
- (b) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the Valuation Day last available prices and, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities and/or financial derivative instruments, and each security and/or financial derivative instrument traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities and/or financial derivative instruments;
- (c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis

of foreseeable sales prices;

- (d) shares or units in open-ended investment funds shall be valued at their last available calculated net asset value;
- (e) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;
- (f) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;
- (g) swaps are valued at their fair value based on the underlying securities.

The Fund is authorized to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

If the Board of Directors considers that the net asset value calculated is not representative of the true value of the Fund's shares, or if, since the calculation of the net asset value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may decide to actualise the net asset value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the actualised net asset value with care and good faith.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the previous day closing rate of exchange.

The net asset value per share of each Class in a Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

## **7. Temporary Suspension of Issues, Redemptions and Conversions**

The determination of the net asset value of shares of one or several Sub-Funds may be suspended:

- (a) during any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in a non-Member State on which a substantial part of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or

- (b) when political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders of the Fund; or
- (c) during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- (d) during any period where the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (e) during any period when for any other reason the prices of any investments owned by the Fund, including in particular the financial derivative instruments and repurchase transactions entered into by the Fund in respect of any Sub-Fund, cannot promptly or accurately be ascertained; or
- (f) following a decision to merge, liquidate or dissolve the Fund or, if applicable, one or several Sub-Fund(s); or
- (g) following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption and/or (iv) the conversion of the shares/units issued at the level of a master in which the Sub-Fund invests in its quality as feeder within the meaning of the 2010 Law; or
- (h) during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied as soon as an extraordinary general meeting of Shareholders of the Fund or of a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund; or
- (i) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the Fund are not compiled or published; or
- (j) upon the order of the Luxembourg supervisory authority; or
- (k) in any case, at the Board of Directors' discretion when it is in the best interest of the Shareholders.

The Board of Directors has the power to suspend the issue, redemption and conversion of shares in one or several Sub-Funds for any period during which the determination of the net asset value per share of the concerned Sub-Fund(s) is suspended by the Fund by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected, the shares in question shall be redeemed/converted on the first Valuation Day following the termination of the suspension period. In the event of such period being extended, notice may be published in newspapers in the countries where the Fund's shares are publicly sold. Investors who have requested the issue, redemption or conversion of shares shall be informed of such suspension when such request is made.

## **8. Merger or Liquidation of Sub-Funds**

### **Closure of Sub-Funds and/or Share Classes**

1. In the event that for any reason the value of the net assets in any Sub-Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or if the Board of Directors otherwise considers it to be in the best interest of the Shareholders of the relevant Sub-Fund and/or Class, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Share Classes issued in such Sub-Fund or the relevant Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class. The Fund shall serve a notice to the Shareholders of the relevant Class or Share Classes prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

2. Notwithstanding the powers conferred to the Board of Directors by the paragraph above, the general meeting of Shareholders of any Sub-Fund or Class within any Sub-Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

3. Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

4. All redeemed Shares shall be cancelled.

5. The liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund under the conditions of the 2010 Law.

### **Mergers of Sub-Funds and Amalgamation of Share Classes**

1. The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another new or existing Luxembourg or foreign UCITS; or
- another new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS.

In the case the last, or unique Sub-Fund involved in a merger is the absorbed UCITS (within the meaning of the 2010 Law) and, hence, ceases to exist upon completion of the merger, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Sub-Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

In addition when the interest of the shareholders so require, the Board of Directors may also decide on the closing of one or several Sub-Funds through contribution to one or several other Sub-Funds in the Fund or to one or several sub-funds of another UCITS incorporated under Luxembourg law and subject to the provisions of Part I of the 2010 Law.

2. The general meeting of the Shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any new or existing Luxembourg or foreign UCITS ; or
- any new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS,

by a resolution adopted with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two third of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other classes within the same Sub-Fund or into Shares of same or other classes within another Sub-Fund pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

3. In the event that for any reason the value of the net assets in any Class of Shares has decreased below the minimum level under which the Sub-Fund may no longer operates in an economically efficient manner, or as a matter of economic rationalisation or for any reason determined by the Board of Directors, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). The Fund shall send a written notice to the Shareholders of the relevant Class as required by any applicable law. The decision of the Board of Directors will be subject to the right of the relevant Shareholders to request, without any charges, other than those retained by the Sub-Fund to meet disinvestment costs the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Sub-Fund or into Shares of same or other Classes within another Sub-Fund.



### **Split of Sub-Funds**

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or in the event of a change in the economic or political situation which would have material consequences on the relevant Sub-Fund, the Board of Directors may decide to reorganise a Sub-Fund by splitting it into two or more Sub-Funds. Such a decision will be notified and/or published as required by any applicable law.

### **9. Merger of the Fund**

1. The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

In case the Fund is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Fund is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders of the Fund has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

2. The general meeting of the Shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

The merger decision shall be adopted by the general meeting of Shareholders with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two thirds of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Shares pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

### **10. Liquidation of the Fund**

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal

entities, appointed by the general meeting of Shareholders which shall determine their powers and their compensation.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out pursuant to the provisions of the 2010 Law. Such law specifies the steps to be taken to enable the Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of the liquidation. Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will at the close of the liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010 Law, where the proceeds will be held at the disposal of the Shareholders entitled thereto until the end of the statutory limitation period.

## **11. Material Contracts**

The following material contracts have been entered into:

- (a) A Fund Management Agreement entered into between the Fund and CASA4FUNDS SA pursuant to which the latter acts as the Management Company of the Fund. This Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (b) A Depositary Agreement entered into between the Fund, the Management Company and BANQUE DE LUXEMBOURG pursuant to which the latter was appointed Depositary. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (c) An Administrative Agent, Registrar and Transfer Agent Agreement entered into between the Fund, the Management Company and EFA, pursuant to which the latter acts as Administrative, Transfer and Registrar Agent of the Fund.
- (d) A Fund Management Agreement entered into between the Fund and CASA4FUNDS SA pursuant to which the latter acts as Domiciliary Agent of the Fund.

## **12. Documents**

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KiiD and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg.

## **13. Official Language**

The original versions of this Prospectus and of the Articles of Incorporation are in English. However, the Board of Directors of the Fund may consider that these documents must be translated into the languages of the countries in which the shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus and the Articles of Incorporation are translated, the English text will prevail.

**14. Publication of other information**

The Fund shall make public the issue, sale and repurchase price of its shares each time the Fund respectively its sub-funds issue, sell and repurchase their shares, and at least twice a month.

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**SUB-FUNDS DETAILS**

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**FINLABO INVESTMENTS SICAV – DYNAMIC EMERGING MARKETS**

**FINLABO INVESTMENTS SICAV – DYNAMIC US EQUITY**

**FINLABO INVESTMENTS SICAV – DYNAMIC EQUITY**

**FINLABO INVESTMENTS SICAV – DYNAMIC ALLOCATION**

**FINLABO INVESTMENTS SICAV – DYNAMIC EMERGING MARKETS**

Information contained herein should be read in conjunction with the full text of the Prospectus.

**1. Reference Currency**

EUR

**2. Performance Fee**

Applicable to all Share classes

The Performance Fee will amount to 20% p.a. of return of the relevant Share Class that exceeds the greater of the Hurdle Rate (calculated as the sum of the average euro short-term rate (€STR)<sup>1</sup> + 500 basis points) and the High Watermark (calculated as the return necessary since the start of the calendar year to equal the Net Asset Value per Share of the relevant Share Class on the last Valuation Day of the last calendar year in which a Performance Fee was charged).

On each Valuation Day, an accrual for the previous Valuation Day's Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the relevant Sub-Fund as described below.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of Performance Fees.

Payment of the Performance Fee, which is calculated on 31<sup>st</sup> December of each year and accrued on a daily basis, is made at the beginning of the following year.

**3. Fee Schedule, available Share Classes and main features**

See Appendix I – Sub-Funds features

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<sup>1</sup> Please refer to paragraph 9 below headed "Benchmarks" for further details as regards the Benchmark and its Administrator

#### **4. Investment Objective and Policy**

This Sub-Fund aims to provide capital appreciation over time in euro by investing mainly in equity, equity related securities and equity derivatives through long positions (including futures on indices and stocks).

The Sub-Fund's investment universe will focus on large and mid-capitalization companies exposed or issued from Asian markets (excluding Japan) including emerging markets, with no restriction in terms of economic sector.

The Sub-Fund may secondarily invest in equity and debt securities (with a minimum rating of BB/Ba2) issued by worldwide issuers, and in related currencies.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may, for defensive purposes and on a temporary basis, also hold cash deposits and Money Market Instruments up to 100 % of its total net assets.

Within the limits set forth in the investment restrictions, the Sub-Fund may use derivative techniques and instruments for hedging or for other purposes. The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Sub-Fund's total net assets.

In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, indices, exchange rates and other financial instruments traded on Regulated Markets.

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in Target Funds.

The Sub-Fund will not directly invest in ABS, MBS or CoCos, indirect exposure may occur from the investment through the Target Funds.

Due to increased volatility of the markets, the portfolio of the Sub-Fund may have a high turnover ratio, which may subsequently entail additional costs for the Sub-Fund, such as the related transaction fees.

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

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

### **5. Profile of Typical Investor**

The Sub-Fund is a high-risk vehicle aiming to provide capital appreciation in euro terms. It will be suitable for investors seeking to increase their principal over the medium-long term by investing in emerging markets securities with a high potential for appreciation. The recommended duration of investment for investors is at least 5 years.

### **6. Risk Profile**

The Sub-Fund is subject to the specific risks linked to investment in equity securities, debt securities, emerging markets and to market volatility linked to the investment in derivative instruments, as well as foreign currencies exposure. Please refer to the sections headed “Investment Restrictions” and “Risk Management Process” above for further details in this connection.

**DISCLAIMER:** Past performance is not indicative of future results. Shares’ price falls as well as rises. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

### **7. Distribution Policy**

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

Dealing in shares after the Initial Offering Period: Subscription, redemption and conversion requests should be made in the form as specified in Section “Issue, Redemption and Conversion of Shares” in the main part of the Prospectus.

### **8. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

### **9. Benchmarks**

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- Performance Fee calculation: the Benchmark is used in the framework of the computation of the Performance Fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

Sub-Fund	Benchmark		Administrator		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Finlabo Investments Sicav – Dynamic Emerging Markets	Euro short-term rate (€STR)	Performance Fee calculation	European Money Markets Institute (European Central Bank)	YES	N/A



## FINLABO INVESTMENTS SICAV – DYNAMIC US EQUITY

Information contained herein should be read in conjunction with the full text of the Prospectus.

### **1. Reference Currency**

EUR

### **2. Performance Fee**

Applicable to all Share classes

The Performance Fee will amount to 20% p.a. of return of the relevant Share Class that exceeds the greater of the Hurdle Rate (calculated as the sum of the average euro short-term rate (€STR)<sup>2</sup> + 400 basis points) and the High Watermark (calculated as the return necessary since the start of the calendar year to equal the Net Asset Value per Share of the relevant Share Class on the last Valuation Day of the last calendar year in which a Performance Fee was charged).

On each Valuation Day, an accrual for the previous Valuation Day's Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the relevant Sub-Fund as described below.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

Payment of the Performance Fee, which is calculated on 31<sup>st</sup> December of each year and accrued on a daily basis, is made at the beginning of the following year.

### **3. Fee Schedule, available Share Classes and main features**

See Appendix I – Sub-Funds features

### **4. Investment Objective and Policy**

This Sub-Fund aims to provide capital appreciation over time in euro by investing mainly in: equity, equity related securities and equity derivatives through long positions (including futures on indices and

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<sup>2</sup> Please refer to paragraph 9 below headed "Benchmarks" for further details as regards the Benchmark and its Administrator

stocks).

The Sub-Fund's investment universe will focus on large and mid-capitalization companies exposed or issued from North American countries (in the United States and Canada) with no restriction in terms of economic sector.

The Sub-Fund may secondarily invest in equity and debt securities (with a minimum rating of BB/Ba2) issued by worldwide issuers and denominated in related currencies.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may, for defensive purposes and on a temporary basis, also hold cash deposits and Money Market Instruments up to 100 % of its total net assets.

Within the limits set forth in the investment restrictions, the Sub-Fund may use derivative techniques and instruments for hedging or for other purposes. The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Sub-Fund's total net assets.

In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, indices, government bonds and other financial instruments traded on Regulated Markets.

- In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in Target Funds.

The Sub-Fund will not directly invest in ABS, MBS or CoCos, indirect exposure may occur from the investment through the Target Funds.

Due to increased volatility of the markets, the portfolio of the Sub-Fund may have a high turnover ratio, which may subsequently entail additional costs for the Sub-Fund, such as the related transaction fees.

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

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

##### ***5. Profile of Typical Investor***

The Sub-Fund is a high-risk vehicle aiming to provide an absolute return in euro terms. It will be suitable for investors seeking to increase their principal over the medium-long term by investing in North

American securities with a high potential for appreciation. The recommended duration of investment for investors is 3 to 5 years.

## **6. Risk Profile**

The Sub-Fund is subject to the specific risks linked to investment in equity securities, debt securities and to market volatility linked to the investment in derivative instruments as well as foreign currencies exposure. Please refer to the sections headed “Investment Restrictions” and “Risk Management Process” above for further details in this connection.

**DISCLAIMER:** Past performance is not indicative of future results. Shares’ price falls as well as rises. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

## **7. Distribution Policy**

**Distribution policy:** This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

Dealing in shares after the Initial Offering Period: Subscription, redemption and conversion requests should be made in the form as specified in Section “*Issue, Redemption and Conversion of Shares*” in the main part of the Prospectus.

## **8. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

## **9. Benchmarks**

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- Performance Fee calculation: the Benchmark is used in the framework of the computation of the Performance Fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

Sub-Fund	Benchmark		Administrator		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Finlabo Investments Sicav – Dynamic US Equity	Euro short-term rate (€STR)	Performance Fee calculation	European Money Markets Institute (European Central Bank)	YES	N/A

## FINLABO INVESTMENTS SICAV – DYNAMIC EQUITY

Information contained herein should be read in conjunction with the full text of the Prospectus.

### **1. Reference Currency**

EUR

### **2. Performance Fee**

Applicable to all Share classes

The Performance Fee will amount to 20% p.a. of return of the relevant Share Class that exceeds the greater of the Hurdle Rate (calculated as the sum of the average euro short-term rate (€STR)<sup>3</sup> + 400 basis points) and the High Watermark (calculated as the return necessary since the start of the calendar year to equal the Net Asset Value per Share of the relevant Share Class on the last Valuation Day of the last calendar year in which a Performance Fee was charged).

On each Valuation Day, an accrual for the previous Valuation Day's Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the relevant Sub-Fund as described below.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of Performance Fees.

Payment of the Performance Fee, which is calculated on 31<sup>st</sup> December of each year and accrued on a daily basis, is made at the beginning of the following year.

### **3. Fee Schedule, available Share Classes and main features**

See Appendix I – Sub-Funds features

### **4. Investment Objective and Policy**

This Sub-Fund aims to provide an absolute return over time by continuously investing at least 51% of its

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<sup>3</sup> Please refer to paragraph 9 below headed "Benchmarks" for further details as regards the Benchmark and its Administrator

assets in equity focused on Europe with no currency restriction and no restrictions in terms of economic sector, size, and which are listed for trading on an official market or are included or admitted in an organized market and which are not shares or units of Target Funds. For the purpose of this investment policy and in accordance with the definition given in the German Capital Investment Code (KAGB), an organized market is a market which is recognized, open to the public and which functions correctly, unless expressly specified otherwise. Such organized market also meets the criteria of Article 50 of the UCITS Directive.

The Sub-Fund may secondarily invest in equity, equity related securities and equity derivatives (including futures on indices and stocks) as well as in debt securities with a minimum rating of BB/Ba2 issued by worldwide issuer with no restriction in terms of economic sector, size or currency.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may, for defensive purposes and on a temporary basis, also hold cash deposits and Money Market Instruments up to 100 % of its total net assets.

Within the limits set forth in the investment restrictions, the Sub-Fund may use EPM Techniques for hedging or for other purposes. The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Sub-Fund's total net assets.

In particular, the Sub-Fund may use FDI, including CFD, call or put options and/or futures and/or forward contracts on transferable securities, interest rates, indices, government bonds and other financial instruments traded on Regulated Markets or OTC ("Over the counter").

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in Target Funds.

The Sub-Fund will not directly invest in ABS, MBS or CoCos, indirect exposure may occur from the investment through the Target Funds.

Due to increased volatility of the markets, the portfolio of the Sub-Fund may have a high turnover ratio, which may subsequently entail additional costs for the Sub-Fund, such as the related transaction fees.

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

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

### **5. Profile of Typical Investor**

The Sub-Fund is a medium/high risk vehicle aiming to provide an absolute return. It will be suitable for investors seeking to increase their principal over the medium-long term by investing in securities with a high potential for appreciation. The recommended duration of investment for investors is 3 to 5 years.

### **6. Risk Profile**

The Sub-Fund is subject to the specific risks linked to investment in equity securities, debt securities and to market volatility linked to the investment in derivative instruments. Please refer to the sections headed “Investment Restrictions” and “Risk Management Process” above for further details in this connection.

**DISCLAIMER:** Past performance is not indicative of future results. Shares’ price falls as well as rises. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

### **7. Distribution Policy**

Shares are issued as either Accumulation Shares or Distribution Shares as further defined in the Section headed “Distribution Policy”.

Dealing in shares after the Initial Offering Period: Subscription, redemption and conversion requests should be made in the form as specified in Section “Issue, Redemption and Conversion of Shares” in the main part of the Prospectus.

### **8. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

### **9. Benchmarks**

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- Performance Fee calculation: the Benchmark is used in the framework of the computation of the Performance Fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

Sub-Fund	Benchmark		Administrator		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Finlabo Investments Sicav – Dynamic Equity	Euro short-term rate (€STR)	Performance Fee calculation	European Money Markets Institute (European Central Bank)	YES	N/A



## FINLABO INVESTMENTS SICAV – DYNAMIC ALLOCATION

Information contained herein should be read in conjunction with the full text of the Prospectus.

### **1. Reference Currency**

EUR

### **2. Performance Fee**

Applicable to all Share classes

The Performance Fee will amount to 20% p.a. of return of the relevant Share Class that exceeds the greater of the Hurdle Rate (calculated as the sum of the average euro short-term rate (€STR)<sup>4</sup> + 200 basis points) and the High Watermark (calculated as the return necessary since the start of the calendar year to equal the Net Asset Value per Share of the relevant Share Class on the last Valuation Day of the last calendar year in which a Performance Fee was charged).

On each Valuation Day, an accrual for the previous Valuation Day's Performance Fee is made when appropriate, and the Performance Fee is paid where applicable for each class of the relevant Sub-Fund as described below.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

Payment of the Performance Fee, which is calculated on 31<sup>st</sup> December of each year and accrued on a daily basis, is made at the beginning of the following year.

### **3. Fee Schedule, available Share Classes and main features**

See Appendix I – Sub-Funds features

### **4. Investment Objective and Policy**

This Sub-Fund aims to provide an absolute return over time by investing mainly, under normal market

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<sup>4</sup> Please refer to paragraph 9 below headed "Benchmarks" for further details as regards the Benchmark and its Administrator

conditions, in: equity, equity related securities, equity derivatives through long positions, debt securities (floating and fixed rate), regular and contingent convertible bonds, and debt derivatives through long positions issued by worldwide issuers.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may, for defensive purposes and on a temporary basis, also hold cash deposits and Money Market Instruments up to 100 % of its total net assets. Within the limits set forth in the investment restrictions, the Sub-Fund may use EPM Techniques for hedging or for other purposes. The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Sub-Fund's total net assets. In particular, the Sub-Fund may use FDI, including CFD, call or put options and/or futures and/or forward contracts on transferable securities, interest rates, indices, government bonds and other financial instruments traded on Regulated Markets or OTC ("Over the counter").

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest:

- Up to 25% in ETCs;
- Up to 10% of its total net assets in units of UCITS and/or other undertakings for collective investment including ETFs;
- Up to 10% of its total net assets in contingent convertible bonds and term deposits;
- Up to 5% of its total net assets in ABS or MBS.

Due to increased volatility of the markets, the portfolio of the Sub-Fund may have a high turnover ratio, which may subsequently entail additional costs for the Sub-Fund, such as the related transaction fees.

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

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

### **5. Profile of Typical Investor**

The Sub-Fund is a Medium risk vehicle aiming to provide an absolute return in euro terms. It will be suitable for investors seeking to increase their principal over the medium-long term by investing in a actively managed balanced portfolio. The recommended duration of investment for investors is 2 to 3 years.

## **6. Risk Profile**

The Sub-Fund is subject to the specific risks linked to investment in equity securities, debt securities (including high yield and not rated securities) and to market volatility linked to the investment in derivative instruments as well as foreign currencies exposure. Please refer to the sections headed “Investment Restrictions” and “Risk Management Process” above for further details in this connection.

**DISCLAIMER:** Past performance is not indicative of future results. Shares’ price falls as well as rises. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

## **7. Distribution Policy**

### **Distribution policy:**

This Sub-Fund issues both accumulation and distribution shares as further detailed in Section “*Distribution Policy*” of this Prospectus.

Dealing in shares after the Initial Offering Period: Subscription, redemption and conversion requests should be made in the form as specified in Section “*Issue, Redemption and Conversion of Shares*” in the main part of the Prospectus.

## **8. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

## **9. Benchmarks**

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- Performance Fee calculation: the Benchmark is used in the framework of the computation of the Performance Fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

<b>Sub-Fund</b>	<b>Benchmark</b>		<b>Administrator</b>		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Finlabo Investments Sicav – Dynamic Allocation	Euro short-term rate (€STR)	Performance Fee calculation	European Money Markets Institute (European Central Bank)	YES	N/A

## APPENDIX I – SUB-FUNDS FEATURES

Sub-Funds	Class	Targeted investors	Shares' Form	Category	Denomination Currencies	Management Fees <sup>5</sup>	Performance Fees	Administration Fees <sup>6</sup>	NAV Frequency	Subscription Fee <sup>7 &amp; 8</sup>	Redemption Fee <sup>7</sup>	Conversion Fee <sup>7</sup>	Initial Issue Price	Minimum Initial Investment <sup>9</sup>	Minimum Holding Amount <sup>9</sup>
<b>FINLABO INVESTMENTS SICAV - DYNAMIC EMERGING MARKETS</b>	R	Retail	Registered or dealt in through a clearing house	Acc	EUR	2.00%	YES	Up to 0,17% maximum, with a minimum of EUR 68'750 p.a.	daily	Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	P	Retail subscribing through agents authorized by the Board				1.10%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000
	I	Institutional				1.00%	YES			Up to 3%	Up to 2%	Up to 2%	1'000	50'000	50'000
	L	Listed and tradable on Borsa Italiana				1,10%	YES			Up to 3%	Up to 2%	N/A	1'000	1 share	1 share
<b>FINLABO INVESTMENTS SICAV – DYNAMIC US EQUITY</b>	R	Retail	Registered or dealt in through a clearing house	Acc	EUR	2.00%	YES	Up to 0,17% maximum, with a minimum of EUR 68'750 p.a.	daily	Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	P	Retail subscribing through agents authorized by the Board				1.10%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000
	I	Institutional				1.00%	YES			Up to 3%	Up to 2%	Up to 2%	1'000	50'000	50'000
	L	Listed and tradable on Borsa Italiana				1,10%	YES			Up to 3%	Up to 2%	N/A	1'000	1 share	1 share

<sup>5</sup> per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month.

<sup>6</sup> per annum, calculated monthly on the value of the average net assets of the Sub-Fund during the relevant month, and payable at the Fund level on a pro-rata basis based on the assets under management.

<sup>7</sup> percentage of the net asset value of the shares subscribed/redeemed/converted.

<sup>8</sup> percentage of the net asset value of the shares subscribed that may be used in order to remunerate the distributors, and any other financial intermediaries involved in the distribution, placement and marketing of the Shares through a regular agreement.

<sup>9</sup> The Board of Directors is authorised to waive any requirements relating to the minimum initial investment or to the minimum holding amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Sub-Funds	Class	Targeted investors	Shares' Form	Category	Denomination Currencies	Currency Hedged Share Class	Management Fees <sup>10</sup>	Performance Fees	Administration Fees <sup>11</sup>	NAV Frequency	Subscription Fee <sup>12&amp;13</sup>	Redemption Fee <sup>12</sup>	Conversion Fee <sup>12</sup>	Initial Issue Price	Minimum Initial Investment <sup>14</sup>	Minimum Holding Amount <sup>14</sup>
FINLABO INVESTMENTS SICAV - DYNAMIC EQUITY	R EUR Dis	Retail	Registered or dealt in through a clearing house	Dis	EUR	N/A	2.00%	YES	Up to 0,17% maximum, with a minimum of EUR 68'750 p.a.	daily	Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	R EUR			Acc	EUR	N/A	2.00%	YES			Up to 3%	Up to 2%	Up to 2%	N/A	1'000	1'000
	R CHF				CHF	YES	2.00%	YES			Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	R GBP				GBP	YES	2.00%	YES			Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	R USD				USD	YES	2.00%	YES			Up to 3%	Up to 2%	Up to 2%	100	1'000	1'000
	P EUR Dis	Retail subscribing through agents authorized by the Board			Dis	EUR	N/A	1.60%			YES	Up to 3%	Up to 2%	Up to 2%	100	10'000
	P EUR			Acc	EUR	N/A	1.60%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000
	P CHF				CHF	YES	1.60%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000
	P GBP				GBP	YES	1.60%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000
	P USD				USD	YES	1.60%	YES			Up to 3%	Up to 2%	Up to 2%	100	10'000	10'000

<sup>10</sup> per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month.

<sup>11</sup> per annum, calculated monthly on the value of the average net assets of the Sub-Fund during the relevant month, and payable at the Fund level on a pro-rata basis based on the assets under management.

<sup>12</sup> percentage of the net asset value of the shares subscribed/redeemed/converted.

<sup>13</sup> percentage of the net asset value of the shares subscribed that may be used in order to remunerate the distributors, and any other financial intermediaries involved in the distribution, placement and marketing of the Shares through a regular agreement.

<sup>14</sup> The Board of Directors is authorised to waive any requirements relating to the minimum initial investment or to the minimum holding amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Sub-Funds	Class	Targeted investors	Shares' Form	Category	Denomination Currencies	Currency Hedged Share Class	Management Fees <sup>15</sup>	Performance Fees	Administration Fees <sup>16</sup>	NAV Frequency	Subscription Fee <sup>17&amp;18</sup>	Redemption Fee <sup>17</sup>	Conversion Fee <sup>17</sup>	Initial Issue Price	Minimum Initial Investment <sup>19</sup>	Minimum Holding Amount <sup>19</sup>
<b>FINLABO INVESTMENTS SICAV - DYNAMIC EQUITY</b>	I EUR Dis	Institutional	Registered or dealt in through a clearing house	Dis	EUR	N/A	1.50%	YES	Up to 0,17% maximum, with a minimum of EUR 68'750 p.a.	Daily	Up to 3%	Up to 2%	Up to 2%	100	50'000	50'000
	I EUR			Acc	EUR	N/A	1.50%	YES			Up to 3%	Up to 2%	Up to 2%	N/A	50'000	50'000
	I CHF			CHF	YES	1.50%	YES	Up to 3%			Up to 2%	Up to 2%	100	50'000	50'000	
	I GBP			GBP	YES	1.50%	YES	Up to 3%			Up to 2%	Up to 2%	100	50'000	50'000	
	I USD			USD	YES	1.50%	YES	Up to 3%			Up to 2%	Up to 2%	100	50'000	50'000	
	L EUR	Listed and tradable on Borsa Italiana		EUR	N/A	1.60%	YES	Up to 3%			Up to 2%	N/A	100	1 share	1 share	
<b>FINLABO INVESTMENTS SICAV – DYNAMIC ALLOCATION</b>	R EUR	Retail	Registered or dealt in through a clearing house	Acc	EUR	N/A	1,40%	YES	Up to 0,17% maximum, with a minimum of EUR 68'750 p.a.	Daily	Up to 2%	Up to 1%	Up to 1%	100	1.000	1.000
	P EUR	Retail subscribing through agents authorized by the Board				N/A	0,80%	YES			Up to 2%	Up to 1%	Up to 1%	100	10.000	10.000
	I EUR	Institutional				N/A	0,70%	YES			Up to 2%	Up to 1%	Up to 1%	1000	50.000	50.000
	L EUR	Listed and tradable on Borsa Italiana				N/A	0,80%	YES			Up to 2%	Up to 1%	N/A	1000	1 share	1 share
	R EUR	Retail	Registered or dealt in through a clearing house	Dist	EUR	N/A	1,40%	YES			Up to 2%	Up to 1%	Up to 1%	100	1.000	1.000
	P EUR	Retail subscribing through agents authorized by the Board				N/A	0,80%	YES			Up to 2%	Up to 1%	Up to 1%	100	10.000	10.000
	I EUR	Institutional				N/A	0,70%	YES			Up to 2%	Up to 1%	Up to 1%	1000	50.000	50.000
	L EUR	Listed and tradable on Borsa Italiana				N/A	0,80%	YES			Up to 2%	Up to 1%	N/A	1000	1 share	1 share

<sup>15</sup> per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month.

<sup>16</sup> per annum, calculated monthly on the value of the average net assets of the Sub-Fund during the relevant month, and payable at the Fund level on a pro-rata basis based on the assets under management..

<sup>17</sup> percentage of the net asset value of the shares subscribed/redeemed/converted.

<sup>18</sup> percentage of the net asset value of the shares subscribed that may be used in order to remunerate the distributors, and any other financial intermediaries involved in the distribution, placement and marketing of the Shares through a regular agreement.

<sup>19</sup> The Board of Directors is authorised to waive any requirements relating to the minimum initial investment or to the minimum holding amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

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**APPENDIX II – SUB-FUNDS SPECIFIC RISK DETAILS**

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	<b>Global Exposure approach used</b>	<b>Relative benchmark<sup>20</sup></b>	<b>Expected level of leverage<sup>20</sup> (Sum of Notionals)</b>	<b>Higher leverage<sup>20</sup> Levels (Sum of Notionals)</b>	<b>Expected level of leverage<sup>20</sup> (Commitment)</b>	<b>Higher leverage<sup>20</sup> levels (Commitment)</b>
<b>DYNAMIC EMERGING MARKETS</b>	Commitment	N/A	N/A	N/A	N/A	N/A
<b>DYNAMIC US EQUITY</b>	Commitment	N/A	N/A	N/A	N/A	N/A
<b>DYNAMIC EQUITY</b>	Commitment	N/A	N/A	N/A	N/A	N/A
<b>DYNAMIC ALLOCATION</b>	Commitment	N/A	N/A	N/A	N/A	N/A

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<sup>20</sup> If the VAR approach is used. The level of leverage may vary over time. Investors must be aware of the possibility of higher leverage levels under certain circumstances. The Commitment approach is based on the sum of notionals of Financial Derivatives Instruments (“FDI”) applying Netting and Hedging techniques. The FDI could be used for leverage or hedging as well as to create synthetic positions on securities that could not be bought directly on the market.