

A handwritten signature in blue ink, appearing to be 'h3h', is written over the official stamp of the Commission de Surveillance du Secteur Financier.

# **Satellite Event-Driven UCITS Fund**

*Société d'investissement à capital variable – société anonyme*

**PROSPECTUS**

**April 2024**

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## IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus and the relevant Key Investor Information Documents (as defined hereafter). Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

### **Selling and transfer restrictions**

The shares have not been and will not be registered under the Securities Act of 1933 of the United States (as amended) (the "**1933 Act**") or the securities laws of any of the States of the United States. The shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" as defined in Regulation S under the 1933 Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable State laws.

The shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Each applicant for shares will be required to certify whether it is a US Person.

The Company will not be registered under the United States Investment Company Act of 1940 (the "**1940 Act**"). Based on interpretations of the 1940 Act by the United States Securities and Exchange Commission, if the Company has more than 100 beneficial owners of its shares who are US Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of shares who are US Persons does not exceed this limit, the Directors may require the compulsory redemption of shares beneficially owned by US Persons.

## FATCA

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("*foreign financial institutions*" or "*FFIs*") to pass information about "*Financial Accounts*" held by "*Specified US Persons*", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed-compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company the Management Company, in its capacity as the Company's management company, if applicable, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;

- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

While the Company will make all reasonable efforts to seek documentation from shareholders to comply with these rules, it is unclear at this time whether other complying shareholders in the Company may be affected by the presence of non-complying shareholders.

All prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company. If the Company becomes subject to withholding tax as a result of FATCA, the value of shares held by all shareholders may be materially affected.

## **General**

The distribution of this Prospectus and the offering of the shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Key Investor Information Documents of each Class of each Sub-Fund, the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Document(s). The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may obtain the Key Investor Information Documents in paper form or on any other durable medium agreed between the Company or the intermediary and the investor.

## **Data Protection**

The 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 by the Data Subjects or otherwise collected by the Company in connection with an investment in shares will be processed by the Company, as data controller and by the Management Company, the investment manager (if any), the Depositary and the members of its group, the Administration Agent and the members of its group, the Distributor, the Auditors, the legal advisers to the Company and other potential service providers of the Company and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as data processors on behalf of the Company (i.e. the "**Processors**"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as data 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 or regulatory bodies including tax authorities.

The Company and Processors shall 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 as transposed in applicable local laws to which they are subjects 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 applicable law or regulation relating to the protection of personal data to which they are subjects (together the "**Data Protection Law**").

Personal Data may include, without limitation, the name, addresses, telephone numbers, email addresses, business contact information, employment and job history, mandates, domicile and tax situation, financial and credit history information, current and historic investments, investment preferences and invested amounts of Data Subjects and any other Personal Data that is necessary to the Company and Processors for the purposes described below. Personal Data is collected directly from Data Subjects by the Distributor or by the Administration Agent or may be collected through publicly accessible sources, social media, subscription services, or other third party data sources.

Personal Data will be processed for the purposes of (i) offering investment in shares and performing the related services as contemplated under this Prospectus, including, but not limited to, the management and administration of shares and the operation of investment in the Sub-Fund including processing subscriptions and redemptions, transfer and additional subscription requests, the administration and payment of distribution fee (if any), updating and maintaining records and fee calculation, maintaining the register of shareholders, providing financial and other information to the shareholders and providing client-related services, and to develop and process the business relationship with the Processors and facilitate their internal business operations, including the management of risk, and the development of business and, (ii) other related services rendered by any service provider of the Company in connection with the holding of shares in the Company (hereafter the "**Investment Services**").

Personal Data will also be processed by the Company and by the Processors to comply with legal or regulatory obligations applicable to them 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 tax authorities under the FATCA and CRS to prevent tax evasion) (as applicable), and to prevent fraud, bribery, corruption and the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an ongoing basis in accordance with the Company and the Administration Agent's anti-money laundering procedures, as well as to retain AML and other records of Data Subjects to assist with the subsequent screening of them by the Administration Agent including in relation to other funds or clients of the Administration Agent (hereafter the "**Compliance Obligations**").

The Company and Processors may collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) on the basis of the shareholder's consent (where applicable in specific circumstances) and/or; (ii) as a result of the subscription of the shareholder where necessary to perform the Investment Services or to take steps at the request of the shareholder prior to such subscription, including the holding of shares in general and/or; (iii) to comply with a legal or regulatory obligation of the Company or Processors and/or; (iv) for the purposes of the legitimate interests pursued by the Company or by Processors, which mainly consist in the performance of the Investment Services, or direct or indirect marketing activities, or compliance with the Compliance Obligations and/or any order of a foreign court, government, supervisory, regulatory or tax authority.

Shareholders are also informed that telephone conversations and electronic communications with the Company, the Management Company, the Depository and the members of its group, the Distributor and the Administration Agent may be recorded by the Company or on behalf of the Company acting as data controller where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Company's legitimate interests, including (i) as proof of a transaction or related communication, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Company's interests or rights in compliance with any legal obligation to which it is subject and (v) for quality, business analysis, training and related purposes to improve the Company's service delivery. Such recordings will be processed in accordance with Data Protection Law and shall not be released to third parties, except in cases where the Company, the Management Company, the Depository or the members of its group, the Distributor or/and the Administration Agent are compelled or entitled by laws or regulations or court order to do so. Recordings may be produced in court or other legal proceedings with the same value in evidence as a written document.

Personal Data will only be disclosed, transferred to and accessed or processed by Processors, and any Sub-Fund or related entities (including without limitation their respective management company/investment manager and service providers) in or through which the Company intends to invest, as well as any (foreign) court, governmental or regulatory bodies including tax authorities (i.e. the "**Authorised Recipients**") for the purposes of the Investments Services and Compliance Obligations. The shareholders acknowledge that the Authorised Recipients, including the Processors, may be located outside of the European Economic Area ("**EEA**") in countries which do not ensure an adequate level of protection according to the European Commission and where data protection laws might not exist or be of a lower standard than in the EEA.

The Company, the investment manager (if any), the Distributor, the Management Company, the Administration Agent and the Depositary and the members of its group have agreed not to transfer Personal Data of Data Subjects 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 or by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

In the event the processing of Personal Data or transfer of Personal Data outside of the EEA take place on the basis of the consent, the Data Subjects are entitled to withdraw their consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out before the withdrawal of such consent. In case of withdrawal of consent, the Company will accordingly cease such processing or transfers. Any change to, or withdrawal of, Data Subjects' consent can be communicated in writing to the Company to the attention of the Administration Agent.

Insofar as Personal Data provided by shareholders include Personal Data concerning other data subjects, the shareholders represent that they have authority to provide such Personal Data to the Company, the Distributor or the Administration Agent. If shareholders are not natural persons, they must undertake to (i) inform any Data Subject about the processing of their Personal Data and their rights as described under this Prospectus, 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 Personal Data as described under this Prospectus in accordance with the requirement of Data Protection Law.

Answering questions and requests with respect to Data Subjects' identification and shares held in the Company, FATCA and/or CRS is mandatory. The Company reserves the right to reject any application for shares if the any prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. Shareholders acknowledge and accept that failure to provide relevant personal data requested by the Company, the Management Company, the investment manager (if any), the Depositary and/or the Administration Agent in the course of their relationship with the Company may prevent them from maintaining their shares in the Company and may be reported by the Board of Directors, the Management Company, the investment Manager (if any), the Depositary and/or the Administration Agent to the relevant Luxembourg authorities. In addition, failure to provide the requested information and/or documentation could lead to penalties which may affect the value of the shareholder's shares.

Shareholders acknowledge and accept that the Company, the Management Company, the investment manager (if any) and/or the Administration Agent will report any relevant information in relation to their investments in the Company 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 the FATCA and CRS, at OECD and European levels or equivalent Luxembourg legislation.

Each Data Subject may request (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him/her, (ii) a restriction of processing of Personal Data concerning him/her and, (iii) to receive Personal Data concerning him/her 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



standard contractual clauses which have been implemented for transferring the Personal Data to the Investment Manager, in the manner and subject to the limitations prescribed in accordance with Data Protection Law. 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 the Company. Each Data Subject should address such requests to the Company to the attention of the Administration Agent. For any additional information related to the processing of their Personal Data, Data Subjects can contact Emmanuel Drujon via email at [Emmanuel.drujon@ci-am.com](mailto:Emmanuel.drujon@ci-am.com).

Shareholders are entitled to address any claim relating to the processing of their Personal Data carried out by the Company or by Data Processors on behalf of the Company to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

The Company and the Processors 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 Company or the Processors.

Personal Data is held until shareholders cease to have shares in the Company and a subsequent period of 10 years thereafter where necessary to comply with applicable laws and regulations or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required or permitted by applicable laws and regulations. In any case, Personal Data will not be held for longer than necessary with regard to the purposes described in this Prospectus, subject always to applicable legal minimum retention periods.

## DIRECTORY

### **Registered Office of the Company**

5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### **Board of Directors of the Company**

#### **Chairman and Member:**

Mrs. Catherine BERJAL  
Chief Executing Officer  
CIAM  
France

#### **Members:**

Mrs. Anne-Sophie D'ANDLAU  
Managing Director  
CIAM  
France

Mr. Gilles GUERIN  
Independent Director  
France

### **Management Company**

CIAM  
26, Bd Malesherbes  
75008 Paris  
France

### **Board of Directors of the Management Company**

Mrs. Catherine Berjal  
Mrs. Anne-Sophie d'Andlau

### **Conducting Officers of the Management Company**

Mrs. Catherine Berjal, CEO  
Mrs. Anne-Sophie d'Andlau, MD  
Mr. Emmanuel Drujon, COO & Risk Manager

### **Depositary, Domiciliary Agent, Administration Agent, Registrar and Transfer Agent and Paying Agent in Luxembourg**

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

**Auditors**

PricewaterhouseCoopers  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisers as to matters of Luxembourg law**

Elvinger Hoss Prussen  
société anonyme  
2, Place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## GLOSSARY

<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
<b>Administration Agent</b>	CACEIS Bank, Luxembourg Branch, acting as domiciliary, registrar, transfer and administrative agent.
<b>AML&amp;KYC Documentation</b>	Shall mean the relevant anti-money laundering and know your customer documentation as required by Luxembourg law.
<b>Application Form</b>	The application form for the subscription in Sub-Fund(s) available at the registered office of the Company and from distributors (if any).
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as may be amended from time to time.
<b>Auditors</b>	PricewaterhouseCoopers.
<b>Base Currency</b>	The base currency of a Sub-Fund, as disclosed in the relevant Sub-Fund Particular.
<b>Business Day</b>	Any day on which the banks are fully open for normal business banking in Luxembourg and other relevant jurisdictions as further detailed in the relevant Sub-Fund Particular.
<b>Class(es)</b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a " <b>Class</b> ") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund Particular.
<b>Company</b>	Satellite Event-Driven UCITS Fund.
<b>Correspondents</b>	Shall mean any sub-custodians, agents and delegates appointed by the Depository.

<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
<b>Depository</b>	CACEIS Bank, Luxembourg Branch, acting as depository and paying agent.
<b>Depository Agreement</b>	Shall mean the agreement dated 21 June 2018 between the Company and the Depository.
<b>Directors</b>	The members of the Board of Directors.
<b>Distributor</b>	CIAM acting as distributor.
<b>EEA</b>	European Economic Area.
<b>Eligible State</b>	Any Member State of the European Union (" <b>EU</b> ") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>ESMA</b>	The European Securities and Markets Authority.
<b>EU</b>	European Union.
<b>EUR</b>	The legal currency of the European Union (the " <b>Euro</b> ").
<b>Group of Twenty (G20)</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
<b>IGA</b>	Intergovernmental Agreement between Luxembourg and the United States of America implementing the Foreign Account Tax Compliance Act.
<b>Institutional Investor(s)</b>	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Management Company</b>	CIAM acting as Management Company of the Company.
<b>Member State(s)</b>	Shall mean a member state of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU.

<b>RESA</b>	<i>Recueil Electronique des Sociétés et Associations.</i>
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value per share</b>	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions detailed in section 7 "Net Asset Value and Dealing Prices".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Other UCI or UCI</b>	An Undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of UCITS Directive.
<b>Prospectus</b>	Shall mean the prospectus of the Company.
<b>Record date</b>	Shall mean a certain date and time such as determined by the Directors and preceding a general meeting of shareholders on which the quorum and majority of such meeting shall be determined in accordance with the shares outstanding at that time and date.
<b>Register</b>	The register of shareholders of the Company.
<b>Reference Currency</b>	The Reference Currency of a Class as disclosed in the relevant Sub-Fund Particular.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
<b>SFDR</b>	The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having, among others, its own investment objective, investment restrictions and Net Asset Value per share. It is represented by one or more Classes.
<b>Sub-Fund Particulars</b>	Part of the Prospectus containing information relating to each Sub-Fund.
<b>Taxonomy Regulation</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.
<b>Transferable Securities</b>	Shall mean: (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.
<b>UCITS</b>	An Undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
<b>UCITS Directive</b>	Directive 2009/65/EC, as amended from time to time.
<b>UCITS Regulation</b>	Commission Delegated Regulation (EU) of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.
<b>USD</b>	The legal currency of the United States of America.
<b>Valuation Day</b>	Any complete Business Day on which the Net Asset Value is calculated as detailed for each Sub-Fund, in the relevant Sub-Fund Particular.

## GENERAL PART

### 1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes with characteristics detailed in the relevant Sub-Fund Particular may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated for an unlimited period in Luxembourg on 20 June 2018. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company was incorporated with an initial capital of EUR 30,000.00, divided into 300 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés*, Luxembourg (Luxembourg register of commerce and companies) under number B 225521. The Articles of Incorporation are deposited with the *Registre de Commerce et des Sociétés*, Luxembourg and have been published in the RESA on 27 June 2018.

The reference currency of the Company is EUR and all the financial statements of the Company will be prepared in accordance with Luxembourg generally accepted accounting principles ("**Luxembourg GAAP**") and presented in EUR.



## **2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS**

The exclusive objective of the Company is to place the funds available to it in transferable securities and other permitted assets of any kind, to the extent permitted by "Appendix 1. General Investment Restrictions", with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolios. Each of the Sub-Funds may employ financial derivative instruments to hedge market and currency risk and for the purposes of efficient portfolio management.

In pursuing the investment objectives of the Sub-Funds, the Directors at all times seek to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of shares under normal circumstances may be made without undue delay upon request by the shareholders.

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

### **Disclosure pursuant to SFDR**

The Management Company identifies and analyses sustainability risks (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its investment management process and risk management process.

The Management Company uses specialised service providers and dedicated databases to identify, analyse and monitor sustainability and ESG criteria, has produced due-diligence and reporting questionnaires, and has implemented proprietary dedicated evaluation and rating methodologies to incorporate them into the investment process and the risk management process.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a sub-fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that this data will be correctly assessed.

Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the Net Asset Value of the concerned Sub-Fund.

The Management Company believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds.

Each Sub-Fund that has environmental and/or social characteristics or has the objective of sustainable investment discloses whether it considers principal adverse impacts on sustainability factors and how in the pre-contractual disclosures for each Sub-Fund in Schedule B.

**Information relating to Sub-Funds with environmental and social characteristics or sustainable investment objectives is provided in Schedule B to the Prospectus in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.**

For the purposes of the Taxonomy Regulation, the Sub-Funds' investments do not take into account the EU criteria for environmentally sustainable economic activities. For further information in respect of each Sub-Fund that has environmental and/or social characteristics or has the objective of sustainable investment please see the relevant sections of the pre-contractual disclosures for each Sub-Fund in Schedule B.

### **3. RISK MANAGEMENT PROCESS**

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

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

### **4. RISK CONSIDERATIONS**

**Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should read the Prospectus in its entirety, read the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.**

**There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.**

### ***Market risk***

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments in securities may be affected by uncertainties linked to their issuers, such as their business, financial results, sectors of activity, market valuations, but also to more global factors such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

### ***Foreign exchange risk***

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency or to the reference currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or reference currency of the relevant Class) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the reference currency of the relevant Class) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or reference currency of the relevant Class). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

### ***Liquidity risk***

A Sub-Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption.

The Management Company operates a risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all assets classes including, but not limited to, financial derivative instruments.

### ***Interest rate risk***

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

The management company does usually not invest in fixed-income securities, but the value of some equities in the portfolio can be affected by interest rates movements.

### ***Credit risk***

A Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

The management company does usually not invest in debt securities or credit-linked securities, but the value of some equities in the portfolio can be affected by credit ratings and credit markets movements.

### ***Extreme Market Movements***

In the event of large index movements, including large intra-day movements, a Sub-Fund's performance may be inconsistent with its stated investment objective and its operation may be inconsistent with its stated arrangement.

### ***Valuation of the Shares***

The value of a share will fluctuate as a result of, amongst other things, changes in the value of the Sub-Fund's assets and, where applicable, the derivative techniques used to link the two.

### ***Yield***

Returns on shares may not be directly comparable to the yields which could be earned if any investment were instead made in any Sub-Fund's assets.

### ***Regulatory Reforms***

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective investment objective and policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective investment objectives and policies. Compliance with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds' expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required.

## ***Operations***

The Company's operations (including investment management and distribution) are carried out by several service providers. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, switchings and redemption of shares) or other disruptions.

## ***Key Persons***

The success of the Company or of its Sub-Funds will largely depend on the experience, relationships and expertise of the key persons within the Management Company which have long term experience in the respective area of investment. The performance of the Company or any Sub-Fund may be negatively affected if any of the key persons involved in the management or investment process of the Company or particular Sub-Fund would for any reason cease to be involved. Furthermore, the key persons might be involved in other businesses, including in similar projects or investment structures, and not be able to devote all of their time to the Company or the respective Sub-Fund. In addition, the involvement in similar projects or investment structures may create a source for potential conflicts of interest.

## ***Derivatives section***

### ***Synthetic Short Selling***

The Management Company may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-Fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-Fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-Fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-Fund will incur a loss; conversely, if the price declines, the Sub-fund will realise a short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

### ***Use of specific derivative contracts***

The following only represents a limited choice of risk associated with derivatives the Sub-Funds may elect to invest in. The Sub-Funds are substantially unrestricted in their use of derivatives and may decide

to use various other derivatives contracts associated with much higher or different risks, as the case may be.

#### *Swap agreements*

Sub-Funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-Funds' exposure to long-term or short-term interest rates, different currency values, corporate borrowing rates, or other factors such as without limitation security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Sub-Funds are not limited to any particular form of swap agreement if consistent with the respective Sub-Fund's investment objective and policies. Swap agreements tend to shift the respective Sub-Fund's investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-Funds' portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-Funds.

#### *Call options*

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines). The management company does usually not invest in call options, nor sell options.

#### *Put options*

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written.

The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The management company regularly purchases put options to lower the risk of the portfolios and hedge some of the sensitivity of its equity investments to specific or general market movements.

#### *Forward trading*

Each Sub-Fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges, and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the fulfilment by the dealer or counterparty of its contract. As a result, trading in unregulated exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the respective Sub-fund has forward contracts. Although the Management Company seeks to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the Sub-Fund to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-Funds due to unusually high or low trading volume, political intervention or other factors. The imposition of credit controls by government authorities might also limit such forward trading to less than that which the Management Company would otherwise recommend, to the possible detriment of the Sub-Funds.

#### *Synthetic short selling*

Sub-Funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures, forwards or contracts for differences in order to enhance their overall performance and/or achieve their investment objectives. A synthetic short sale position replicates the economic effect of a transaction in which a Sub-Fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-Fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-Fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received

on such securities. Each Sub-Fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-Fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above.

Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

### *Contracts for differences*

CFDs are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-Fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls).

Conversely if the Sub-Fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Company must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition, it should be noted the relevant Sub-Fund could suffer losses in event of the CFD issuer's default or insolvency.

### *Performance swaps, interest rate swaps, currency swaps, credit default swaps and interest rate swaptions.*

To the extent provided for in the relevant Sub-Fund Particular, the Management Company may, as a part of the investment strategy of a Sub-Fund, enter into performance swaps, interest rate swaps, currency swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies.

Where a Sub-Fund enters into interest rate swaps on a net basis, the two payment streams are netted out, with each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate 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 interest rate swaps is limited to the net amount of interest payments that the Sub-Fund is contractually obligated to make. If the other party to an interest rate swap defaults, in normal circumstances the Sub-Fund's risk of loss consists of the net amount of interest that the Sub-Fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire



principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (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 (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-Fund may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a pre-set interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate swaps, currency swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Management Company is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-Fund would be less favourable than it would have been if these investment techniques were not used.

#### *Other risks*

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not

always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

### ***Investing in equities entails risk***

The management company is specialised in equity investments and listed shares strategies.

The equities selected by the management company may fall as well as rise depending on a number of events and circumstances, and the Sub-Funds may consequently incur significant losses.

Expected corporate events, special situations, or anticipated deals may not occur, or may not happen as anticipated, impacting negatively the investments of the Sub-Funds. Mark-to-market losses can occur intra-month even if deals or events are still ongoing and may or may not be recouped upon successful closure.

The success of event-driven investments and special situations strategies is also correlated to the overall volume of corporate activity which has historically been cyclical in nature. During periods when corporate activity is low, it may be difficult to identify opportunities for profit or to identify a sufficient number of such opportunities to provide diversification among opportunities of investments in potential special situations.

Event driven investments and special situations are also subject to the risk of overall market movements that may or may not be properly hedged.

### ***Investing in merger arbitrage strategies entails risk***

The Sub-Funds can incur significant losses when anticipated merger or acquisition transactions do not occur. There usually is asymmetry in the risk/reward profile of merger arbitrage deals – the losses that can occur in the event of deal breaking up can far exceed the gains if the deal is finalized. Mark-to-market losses can occur intra- month even if deals are still ongoing and may or may not be recouped upon successful deal closures. Furthermore, the success of mergers, tender offers and exchange offers can be prevented or delayed by a number of factors, including: (i) regulatory and antitrust issues; (ii) political factors; (iii) business issues; (iv) specific events such as general meeting votes; (v) delayed financing; and (vi) general market declines.

Merger arbitrage strategies success is also correlated to the overall volume of deal activity which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult to identify opportunities for profit or to identify a sufficient number of such opportunities to provide diversification among potential merger transactions.

Merger arbitrage positions are also subject to the risk of overall market movements that may or may not be properly hedged.

### ***Counterparty risk***

The Company on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which

will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Sub-Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

#### ***Effect of substantial withdrawals***

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

#### ***Political risks***

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

#### ***General economic conditions***

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

#### ***Small Cap Risk***

Securities of small cap companies tend to be traded less frequently and in smaller volumes than those of large cap companies. As a result, the prices of shares of small cap companies tend to be less stable

than those of large cap companies. Their value may rise and fall more sharply than other securities, and they may be more difficult to buy and sell.

#### **Specialization Risk**

Some Sub-Funds specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. Specialization allows a Sub-Fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the Sub-Fund may underperform relative to less specialized investments. Sub-Funds that specialize tend to be less diversified, but may add diversification benefits to portfolios that do not otherwise have exposure to this specialization.

#### ***Large Shareholder Risk***

Shares may be purchased or redeemed by investors holding a large portion of the issued and outstanding shares of a Sub-Fund ("**large shareholders**"). If a large shareholder redeems all or a portion of its investment in the Sub-Fund, the Sub-Fund may have to incur transaction costs in the process of making the redemption. Conversely, if a large shareholder makes a significant purchase in the Sub-Fund, the Sub-Fund may have to hold a relatively large position in cash for a period of time while the Management Company finds suitable investments. This may negatively impact the performance of the Sub-Fund.

#### ***Collateral Risk***

Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded.

Please also refer to paragraph "Liquidity risk" above in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where a Sub-Fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral the Sub-Fund places with the counterparty is higher than the cash or investments received by the Fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Sub-Fund may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant.

Collateral received by a Sub-Fund may be held either by the Depositary or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

Following reinvestment of collateral, all of the risk considerations set out in this section regarding regular investments apply.

## **5. SHARES**

The Directors may, within each Sub-Fund, decide to create different Classes of shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class. The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant Sub-Fund Particular. The Directors may at any time decide to issue further Classes of shares in each Sub-Fund, in which case the relevant Sub-Fund Particular will be amended accordingly.

For each Sub-Fund, separate currency hedged Classes may be issued as detailed in the relevant Sub-Fund Particular. Any fees relating to the hedging strategy (including any fees of the Administration Agent relating to the execution of the hedging policy) will be borne by the relevant Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

Fractions of shares up to 2 decimal places will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

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

## **Contract notes**

Contract notes which are no proofs of ownership are provided to the investor as soon as practicable after the Net Asset Value is available.

## **Form of shares**

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. No temporary documents of title or share certificates will be issued.

## **How to subscribe**

### **Application**

Applicants buying shares for the first time need to complete the Application Form which can be sent first by approved electronic transmission to the Administration Agent. The original Application Form has to be sent before the cut-off time for any applicable Valuation Day to the Administration Agent by post. Any subsequent purchase of shares can be made by Swift or any other form of transmission previously agreed upon between the applicant and the Administration Agent.

### **Dealing cut-off times**

The dealing cut-off times are indicated in the relevant Sub-Fund Particular.

Applications received after the relevant cut-off times will normally be dealt on the next applicable Business Day.

### **Acceptance**

The right is reserved by the Company, represented by its directors, to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest as soon as practicable.

### **Anti-money laundering and prevention of terrorist financing**

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacement, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes ("**AML & KYC**").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administration Agent may require applicants to provide any document it deems necessary to effect such identification. In addition, the Administration Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined in section 16. "Taxation").

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company, nor the Administration Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under relevant laws and regulations.

The list of identification documents to be provided by each applicant to the Administration Agent will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Administration Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

## **Settlement**

### *IN CASH*

Subscription proceeds must be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular (settlement date).

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund / Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement date will be on the next Business Day on which those banks are open. Payment should

arrive in the transfer agent's appropriate bank account, as specified in the Application Forms by the settlement date at the latest as specified in the relevant Sub-Fund Particular and subject to the foregoing.

### *IN KIND*

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. To the extent legally or regulatory required, a special report of the Company's Auditors will be issued. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

### **Share allocation**

Shares are provisionally allotted but not allocated until settlement has been received by the Company or to its order. Payment for subscribed shares must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant Sub-Fund Particular.

If timely settlement is not made by the subscriber, the subscription may lapse and be cancelled at the cost of the subscriber or its financial intermediary. If the subscriber does not settle the subscription price in a timely manner, no shares will be issued to the defaulting subscriber.

Failure to proceed to timely settlement by the settlement date may result in the Company / Management Company bringing an action against the defaulting subscriber or its financial intermediary or deducting any costs or losses incurred by the Company / Management Company against any existing holding of the subscriber. Money returnable to the subscriber may be netted taking into account any costs or losses incurred by the Company / Management Company due to non-settlement of subscription proceeds within the Sub-Fund's timeline.

### **How to sell shares**

#### **Request**

Redemption requests should be made directly to the Administration Agent. Such requests may be made by Swift or any other form of transmission previously agreed upon between the applicant and the Administration Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.



## **Settlement**

### *IN CASH*

Redemption proceeds will be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular.

If, on the settlement date, banks are not open for business in the country of the currency of settlement of the relevant Class, then settlement will be on the next Business Day on which those banks are open.

### *IN KIND*

At a shareholder's request, the Company may elect to make a redemption in kind subject to a special report from the Company's Auditors (to the extent this report is legally or regulatory required), having due regard to the interests of all shareholders to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from redemption in kind will be borne exclusively by the shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

## **Contract notes**

Contract notes are sent to shareholders as soon as practicable after the transaction has been effected.

## **Compulsory redemption**

If a redemption/switching instruction would reduce the value of a shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (the case being) in the relevant Sub-Fund Particular, the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any shares that are acquired or held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority, or by any persons due which the Company fails to comply with FATCA or CRS, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of shares of a Class or of a Sub-Fund reserved to Institutional Investors (in the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Directors will switch the relevant shares into shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class of shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant shares in accordance with the provisions set forth in the Articles of Incorporation.

## **Deferral of redemption**

In order to ensure that shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company shall not be bound to redeem on any Valuation Day shares representing more than 10% of the Net Asset Value of any Sub-Fund (net of subscriptions on the same Valuation Day). For this purpose and provided the conversion of shares is authorised for the relevant Sub-Fund, conversions of shares out of a Class shall be treated as redemptions of such shares. Redemption requests received on a Valuation Day may, in the absolute discretion of the Directors, be scaled down pro-rata so that shares representing not more than 10% of the Net Asset Value of any Sub-Fund may be redeemed on a Valuation Day. In these circumstances redemptions may be deferred by the Company to the next Valuation Day after the date of receipt of the redemption request. Redemptions that are deferred when processed will be effected in priority to the redemption requests received on such following Valuation Day.

The Company will accept Shareholder instructions to redeem by facsimile at the Shareholder's own risk and provided that the Shareholder has executed a facsimile instruction indemnity form. Redemption requests may not be withdrawn except in the event of a suspension set out under the section headed "7. Net Asset Value and Dealing Prices", sub-section "Temporary suspension" or deferral of the right to redeem shares of the relevant Class. Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

## **Cancellation right**

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem shares of the relevant Sub-Fund. In exceptional circumstances, the Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between shareholders, the interests of the relevant Sub-Fund and applicable market timing rules, decide to accept any withdrawal of an application for redemption.

## **How to convert shares**

To the extent provided for in the relevant Sub-Fund Particular, shareholders will be entitled to request the conversion of the shares they hold in one Sub-Fund into shares of another Sub-Fund or to request the conversion of the shares they hold in one Class into another Class of the same Sub-Fund by making application to the Administration Agent in Luxembourg or through a distributor by Swift or fax, confirmed in writing by no later than the cut-off time (as further specified in the relevant Sub-Fund Particular).

Such application must include the following information: the name of the holder, the number of shares to be switched (if it is not the total holding) and, if possible, the reference number on any share of each Sub-Fund to be switched and the proportion of value of those shares to be allocated to each new Sub-Fund or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in shares relating to the new Sub-Fund/Class are met.

Unless otherwise provided for in the relevant Sub-Fund Particular, conversions (when authorised) may be accepted on each Business Day preceding the relevant Valuation Days in both applicable Sub-Funds/Classes.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the redemption price ruling on the relevant Business Day and make payment of the proceeds to the shareholder.

The basis of conversion is related to the respective Net Asset Value per share of the Sub-Fund or Class concerned. The Company will determine the number of shares into which a shareholder wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

- A: the number of shares to be issued in the new Sub-Fund/Class
- B: the number of shares in the original Sub-Fund/Class
- C: Net Asset Value per share to be converted
- D: currency conversion factor
- E: Net Asset Value per share to be issued
- F: Conversion charge (as detailed in the relevant Sub-Fund Particular)

The Company will provide a confirmation including the details of the conversion to the shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time (as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

## **6. LATE TRADING AND MARKET TIMING**

"Late Trading" is understood to be the acceptance of a subscription (or switching or redemption) order after the applicable cut-off time on the relevant Valuation Day and the execution of such order at a price based on the Net Asset Value per share applicable for such same day. Late Trading is strictly forbidden.

"Market Timing" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value per share of a given Sub-Fund. Market Timing practices may disrupt the investment management of the Sub-Fund and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued, redeemed and switched at an unknown price and the Company will not accept orders received after the relevant cut-off time.

The Company shall comply with any relevant provisions contained in CSSF Circular 04/146 of 17 June 2004 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices.

In this respect, the Company reserves the right to refuse dealing orders with respect to a Sub-Fund by any person who is suspected of Market Timing activities and to take appropriate measures to protect other investors of the Company.

## **7. NET ASSET VALUE AND DEALING PRICES**

### **7.1. Calculation of the net asset value**

#### *Valuation Principles*

The net asset value of each Class within each Sub-Fund (expressed in the Reference Currency of the Class) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Sub-Fund Particular, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Directors, such change;

2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market will be valued at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Directors in line with such prices;
4. 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 as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash-flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. liquid assets and Money Market Instruments may be valued at nominal value plus any accrued interest or an amortised cost basis. All other assets, where practice allows, may be valued in the

same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to time under the direction of the Directors to determine whether a deviation exists between the net asset value calculated using market quotations and that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to investors or existing shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the net asset value by using available market quotations;

11. in the event that the above-mentioned calculation methods are inappropriate or misleading, the Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and
12. in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

#### *Swing Pricing and Dilution Levy*

A Sub-Fund may suffer a reduction in value, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund. This is due to transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices.

In order to counter this effect and to protect shareholders' interests, the Company may adopt a swing pricing mechanism as part of its valuation policy. This means that in certain circumstances the Company may make adjustments to the Net Asset Value per share to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

If on any Valuation Day, the aggregate net investor(s) transactions in a Sub-Fund exceed a pre-determined threshold, the Net Asset Value per share may be adjusted upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Typically, such adjustments will increase the Net Asset Value per share when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value per share when there are net redemptions out of the Sub-Fund. The Company is responsible for setting the threshold, which will be a percentage of the net assets of the respective Sub-Fund. The threshold is based on objective criteria such as the size of a Sub-Fund and the dealing costs for a Sub-Fund, and may be revised from time to time.

The swing pricing mechanism may be applied across all Sub-Funds of the Company. The percentage by which the Net Asset Value per share may be swing is disclosed in the Sub-Fund Particulars if the swing pricing methodology may be applied by the Directors with respect to the relevant Sub-Fund. The Net Asset Value per share of each share class in a Sub-Fund will be calculated separately but any adjustment will be made on Sub-Fund level and in percentage terms, equally affecting the Net Asset

Value per share of each share Class. If swing pricing is applied to a Sub-Fund on a particular Valuation Day, the Net Asset Value adjustment will be applicable to all transactions placed on that day.

Investors are advised that the volatility of the Sub-Fund's net asset value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

Furthermore, the Company has the power to charge a "dilution levy" on the subscription, redemption and/or conversion of shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund's assets.

The dilution levy for each Sub-Fund may be applied for transactions representing 15% of the net assets of a Sub-Fund on any Valuation Day and will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of subscriptions, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the subscription, redemption and/or conversion of Shares, if in its opinion, the existing shareholders (for subscriptions) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where a Sub-Fund is in constant decline (large volume of redemption requests);
- on a Sub-Fund experiencing substantial subscriptions in relation to its size;
- in the case of "large volumes" of redemptions, subscriptions and /or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 15% of the Sub-Fund's entire assets;
- in all other cases where the Company considers the interests of shareholders require the imposition of a dilution levy.

In any case the dilution levy shall not exceed 2% of the Net Asset Value per share.

## **7.2. *Temporary suspension***

The Company, as represented by the Directors may suspend the issue, allocation and the redemption of shares relating to any Sub-Fund as well as the right to switch shares (if applicable) and the calculation of the Net Asset Value per share relating to any Class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed other than for ordinary holidays, or during which dealings are substantially restricted or suspended;

- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Company is not possible;
- c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund is suspended;
- d) during any period when the determination of the Net Asset Value per share of the underlying funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;
- e) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;
- f) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;
- g) from the date on which the Directors decide to liquidate or merge one or more Sub-Fund(s)/Class of shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of shares is to be proposed; or
- h) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company.

The Company may cease the issue, allocation, switching and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

To the extent legally or regulatory required or decided by the Company, shareholders who have requested switching or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof. In addition, notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper if the duration of the suspension is to exceed one calendar week and in any other newspapers selected by the Company.

At the end of the period of suspension, shares will be redeemed on a "first in first out" basis (provided that the principle of fair treatment of shareholders is complied with, at any time).

### **7.3.** *Offer price*

Shares will be issued at a price based on the net asset value calculated on the relevant Valuation Day less any subscription charge (if any) as disclosed in the relevant Sub-Fund Particular. Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particular.



#### **7.4.** *Redemption price*

Shares will be redeemed at a price based on the net asset value calculated on the relevant Valuation Day less any applicable redemption charge disclosed in the relevant Sub-Fund Particular. The redemption price will be payable within the timeframe disclosed in the relevant Sub-Fund Particular.

#### **7.5.** *Information on prices*

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company. The Company may also notify the relevant stock exchanges of the Net Asset Value per share in each Sub-Fund where the shares are listed, if applicable.

### **8. DIVIDENDS**

The Directors may issue distribution and capital-accumulation shares, as further specified in the relevant Sub-Fund Particular.

Capital-accumulation shares do not pay any dividends. They accumulate their income so that the income is included in the price of the shares.

### **9. CHARGES AND EXPENSES**

In consideration for the management services, each Sub-Fund will pay a management fee (the "**Management Fee**") to the Management Company and may also pay a performance fee (the "**Performance Fee**") to the Management Company, as further detailed below.

#### *Management Fee*

Unless provided for a specific Sub-Fund, the management fee shall be calculated and paid monthly in arrears at a maximum rate per annum of the Sub-Fund's Net Asset Value as detailed in the relevant Sub-Fund Particular. This management fee will be payable whether or not the management of the Sub-Fund is profitable.

#### *Performance Fee*

The Management Company may also receive a Performance Fee which crystallises on a yearly basis and is payable in arrears at the end of each financial year based on the performance of a Class over the relevant financial year, as set out below.

The Performance Fee will be equal to a percentage (as will be disclosed for each Class in the relevant Sub-Fund's Particular) of the excess of the Net Asset Value per Share of a Class over the Target Net Asset Value per Share (as defined below) of such Class (the "**Performance**").

The "**Target Net Asset Value**" per Share of a Class means the higher of (i) the High Watermark of such Class (as defined below) and (ii) Net Asset Value per Share of such Class at the start of the relevant financial year.

The "**High Watermark**" means the Net Asset Value per Share of such Class as at the end of the latest financial year in respect of which the Management Company was awarded a Performance Fee.

The Net Asset Values of each Class that will be used for calculating whether a Performance Fee is due under this section will be determined after deducting any expenses, liabilities and the Management Fee (but not the Performance Fee) and will be adjusted in order to take all outstanding subscriptions and redemptions into consideration.

The Performance Fee (if any) will be deemed to accrue (and a provision will be recorded accordingly in the Net Asset Value) at each Valuation Day of the relevant Sub-Fund. However, if at any Valuation Day during the financial year, the Performance of a Class is of nil or negative, the Sub-Fund will write back a provision equivalent to the total amount of Performance Fees. If these provisions are reduced to zero, no Performance Fee will be charged.

If, at the end of the relevant financial year, the Performance is negative, the Performance will be calculated during the next financial year in relation to the Net Asset Value at the previous financial year-end.

The Performance Fee calculation starts again each year. In any case, for a Performance Fee to crystallise, the Net Asset Value (since the initial date on which the Performance Fee was applied to the Sub-Fund) must have reached a new historical maximum value after deducting the Performance Fee paid and at the same time must be positive. If the relative change between the old and new maximum historical Net Asset Value is less than the higher performance achieved, the Performance Fee may only be received based on the relative change between the old and new maximum historical value for the Net Asset Value. If the performance fee is charged, the new maximum historical value for the Net Asset Value, less the performance fee paid, will represent the new starting point for determining the High Watermark.

If shareholders request their shares to be redeemed before the end of a financial year, then the total outstanding Performance Fee (if any) corresponding to such shares will be paid to the Management Company at the end of the year.

The Performance Fee crystallisation period will correspond to the Company's accounting year, except for the first performance fee calculation period, which will begin at the end of the initial subscription period of the relevant Class and terminate either on the date immediately preceding the next calculation period or the date immediately preceding the following calculation period so that the calculation period is of at least 12 months.

Out of the Performance Fee to be paid by the Company, 25% will be allocated to charitable organisations approved by the Board of Directors.

Example:

	NAV at start of Financial Year	HWM	NAV at Year End (Gross of Perf Fee)	Performance (Gross %)	Payment of Performance Fee (Y/N)?	Perf Fee Percentage (15%)	Perf Fee Amount	NAV after Perf Fee	Performance % (Net of Perf Fee)
Year 1	1 000.00	1 000.00	1 030.00	3.00%	Yes	15%	4.50	1 025.50	2.55%
Year 2	1 025.50	1 025.50	1 112.67	8.50%	Yes	15%	13.08	1 099.59	7.22%
Year 3	1 099.59	1 099.59	1 050.11	-4.50%	No	15%	0.00	1 050.11	-4.50%
Year 4	1 050.11	1 099.59	1 023.86	-2.50%	No	15%	0.00	1 023.86	-2.50%
Year 5	1 023.86	1 099.59	1 110.89	8.50%	Yes	15%	1.69	1 109.19	8.33%

### *Equalisation*

Subject to the provisions in the relevant Sub-Fund's Particular, equalisation may be applied.

Equalisation will not be applied to the share classes of the Sub-Fund figuring in the Prospectus at the launch date of a relevant Sub-Fund.

### *Depositary Fee Domiciliary Agent and Administration Agent Fee*

The Depositary and the Administration Agent are entitled to receive, out of the assets of the Company, a fee based on a combination of a fixed amount and of a percentage in basis points of the average monthly Net Asset Value thereof during the relevant month and payable monthly in arrears.

The fee per Sub-Fund for its services as Administration Agent will amount to 0.02% of the Net Asset Value with a minimum of EUR 1,500 per month for the first year after launch and then EUR 3,000 per month for the following years.

The fee per Sub-Fund for its services as Depositary will amount to 0.01% of the Net Asset Value with a minimum fee of EUR 500 per month per sub-fund for the first year after launch, then EUR 1,000 for the following years.

The Depositary will also charge transaction fees related to the purchase and sale of assets.

The Administration Agent will also charge transaction fees related to the subscription and redemption of Shares, annual Transfer Agency fees of EUR 2,500 per Sub-Fund, and annual FATCA reporting fees of EUR 1,200 and AEOI reporting fees of EUR 3,000.

The Domiciliary Agent is entitled to receive an annual fee of EUR 2,500 per Sub-Fund, with an annual minimum of EUR 5,000 for the Company, and a fee for the production of Annual Reports of EUR 3,000 per year.

In addition, the Depositary is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for the charges of any Correspondents (as the case may be).

#### *Other charges and expenses*

The Company pays all brokerage and any other fees arising from transactions involving securities in the Company's portfolio, the costs for legal assistance (including, for the avoidance of doubt, legal fees that may be incurred in relation to the exercise of corporate rights, legal actions and legal assistance in relation to litigations and/or settlements of claims brought by the Management Company in respect of the assets of a Sub-Fund), clearing, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the authorisation in Luxembourg and elsewhere and the listing of the Company's shares (where applicable), maintaining listing, listing agent fees, cost and expenses for regulatory and tax representatives appointed in various jurisdictions, insurance, interest, for subscriptions to professional associations and other organisations in Luxembourg or in other jurisdiction where it may be registered for offer of its shares, which the Company will decide to join in its own interest and in that of its shareholders, the cost of publication of prices and costs relating to distribution of dividends and redemption repayment, bank charges, the remuneration of the Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, expenses for legal, auditing and other professional services relating to the management of the Company and of its Sub-Funds, any index provider fees and any other fees limited to the use of the Reference Index, costs of printing, translating, and publishing information for the shareholders and in particular the costs of printing, translating and distributing the periodic reports, as well as the Prospectus, litigation and other recurring or non-recurring expenses.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

The costs and expenses for the formation of the Company and the initial issue of its shares will be borne by the first Sub-Fund of the Company and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses to be amortized over a period not exceeding 5 years.

Costs and expenses not attributable to a particular Class or Sub-Fund are allocated between all the Classes respective to shares pro-rata to their respective Net Asset Value.

In the case of amortised costs allocated pro-rata, the Directors reverse the right to recalculate such allocation over the course of the amortisation period if they believe that such is fair and equitable in light of the changes in the Sub-Funds' respective Net Asset Value.

## **10. MANAGEMENT COMPANY**

The Directors have appointed CIAM as management company to perform investment management, administration and marketing functions as described in Annex 2 of the 2010 Law pursuant to an

agreement effective as of 20 June 2018 entered into between the Company and the Management Company which may be terminated by a written prior notice given three months in advance by either party to the other.

The Management Company has delegated certain administration functions to CACEIS Bank, Luxembourg Branch.

The Management Company was incorporated as a "*société par actions simplifiées*" under the laws of France on the 10<sup>th</sup> of November 2009 and is approved as a management company regulated by the French *Autorité des Marchés Financiers*. The Management Company is acting as Management Company of the Company in accordance with the provisions on freedom to provide services provided by articles 119 and 121 of the 2010 Law. The Management Company has a subscribed and paid-up capital of 227,660.00 euros.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant delegates provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company shall also ensure compliance with the investment restrictions and implement the Sub-Fund's strategies and investment policy by the Sub-Funds.

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

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

In addition, the Management Company may also appoint one or more investment advisers to advise it on the management of one or more Sub-Fund(s).

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with its Articles of Incorporation;
- are in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company;

- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks; and
- appropriately balance fixed and variable components of total remuneration.

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, are available at [www.ci-am.com](http://www.ci-am.com). A paper copy is available free of charge upon request at the Management Company's registered office.

## **11. DISTRIBUTION OF SHARES**

The Management Company also acts as distributor of the Company's shares. From time to time, the Management Company may appoint sub-distributors to carry out the distribution of the Company's shares.

## **12. DEPOSITARY**

CACEIS Bank, Luxembourg Branch is acting as the Depositary in accordance with the Depositary Agreement dated 21 June 2018, as amended from time to time and the relevant provisions of the 2010 Law.

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 Euros having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("**ECB**") and the *Autorité de Contrôle Prudentiel et de Résolution* ("**ACPR**"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

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

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

In due compliance with the rules and regulations applicable to UCITS the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of shares of the Company are carried out in accordance with the applicable national and European laws or the Articles;

- (ii) ensure that the value of the shares is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive;
- (iii) carry out the instructions of the Company, unless they conflict with the rules applicable to UCITS, or the Articles;
- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that a Company's income is applied in accordance with the rules applicable to UCITS and the Articles.

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

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

A list of these Correspondents/third party custodians is available on the website of the Depositary ([www.caceis.com](http://www.caceis.com), section "veille règlementaire"). Such list may be updated from time to time. A complete list of all Correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

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

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

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

The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company. For its services, CACEIS Bank, Luxembourg Branch will receive fees as detailed in section 9. "CHARGES AND EXPENSES".

### **13. ADMINISTRATION**

Caceis Bank, Luxembourg Branch has also been appointed as the registrar, transfer and administrative agent of the Company in accordance with a central administration services agreement. As Administration Agent, Caceis Bank, Luxembourg Branch is responsible for the general administrative functions of the Company required by the 2010 Law and any other applicable law (i.e., namely, for processing the issue, conversion, as the case may be, and redemption of shares, the calculation of the Net Asset Value per Shares in the Company and the maintenance of accounting records for the Company). In addition, Caceis Bank, Luxembourg Branch has been appointed by the Company to carry out the control of the eligible status of investors on behalf and under the ultimate responsibility of the Board of Directors. It is, in any case, the Board of Directors' responsibility to accept or reject any application from investors in this respect.

The Administration Agent is not responsible for any trading decisions of the Company or the effect of such investment decisions on the performance of the Company.

For its services, CACEIS Bank, Luxembourg Branch will receive fees as detailed in section 9. "CHARGES AND EXPENSES".

The Administration Agent will verify investors' identity and carry out the "Know Your Customer" checks as provided in the central administration services agreement.

CACEIS Bank, Luxembourg Branch has also been appointed as domiciliary agent in accordance with a domiciliary agent services agreement.

For its services as domiciliary agent, CACEIS Bank, Luxembourg Branch will receive fees as detailed in section 9. "CHARGES AND EXPENSES".



#### **14. CONFLICTS OF INTEREST**

The Management Company, the sales agents, the Administration Agent and the Depositary may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the sales agents, the Administration Agent or the Depositary or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length.

#### **15. MEETINGS AND REPORTS**

The annual general meeting of shareholders of the Company (the "**Annual General Meeting**") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at a date and time decided by the Board of Directors being but no later than six months after the end of the Company's previous financial year.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Directors.

Other general meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to shares issued and outstanding at the Record Date, whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

Financial periods of the Company end on 31 December in each year and the first financial period will start on the date of incorporation of the Company and will end on 31 December 2018. The annual report

containing the audited consolidated financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 15 days before the Annual General Meeting. The first annual report prepared for the Company will be dated as of 31 December 2018.

The semi-annual report dated as of 30 June each year will be available at the Company's registered office, at the latest two months after the end of the period to which it relates. The first semi-annual report prepared for the Company will be dated as of 30 June 2019.

Copies of all reports are available at the registered offices of the Company.

## **16. TAXATION**

This information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect.

This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **Taxation of the Company**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Company.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax ("**taxe d'abonnement**") levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to any Sub-Fund or Class provided that their shares are only held by one or more institutional investors.

A subscription tax exemption applies to:

- the portion of any Sub-Fund's assets (pro-rata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund, whose main objective is the investment in microfinance institutions;
- any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Classes meeting (i) above will benefit from this exemption; and
- any Sub-Fund only held by pension funds and assimilated vehicles.

### **Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### **Taxation of the Shareholders**

#### **Luxembourg resident individuals**

Capital gains realised on the sale of the shares by Luxembourg resident individual Investors who hold the shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- the shares are sold within 6 months from their subscription or purchase; or
- the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale.

## **Luxembourg resident corporate**

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 26.01% (in 2018 for entities having their registered office in Luxembourg-City) on capital gains realised upon disposal of shares and on the distributions received from the Company.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment (UCI) subject to the Law, as amended, (ii) specialized investment funds subject to the law of 13 February 2007 on specialised investment funds, as amended, (iii) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the shares is (i) a UCI subject to the Law, as amended, (ii) a vehicle governed by the law of 22 March 2004 on securitization, as amended, (iii) a company governed by the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialized investment fund subject to the law of 13 February 2007 on specialised investment funds, (v) a reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds or (vi) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

## **Non-Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the shares nor on the distribution received from the Company and the shares will not be subject to net wealth tax.

## **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires 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.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authority on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

The Company is responsible for the treatment of the personal data provided for in the CRS Law.

Under the CRS Law, the first exchange of information applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

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

## **17. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS**

### *Liquidation of the Company*

The Company may be dissolved by a resolution of the shareholders adopted in the manner required for amendment of the Article of Incorporation.

In the event of a dissolution of the Company, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Class of shares shall be distributed by the liquidators to the holders of shares of each Class of shares of each Sub-Fund in proportion of their holding of shares in such Class of shares of each Sub-Fund either in cash or, upon the prior consent of the shareholder, in kind. Any funds to which shareholders are entitled upon the liquidation of the Company and which are not claimed by those entitled thereto prior to the close of the liquidation process shall be deposited for

the benefit of the persons entitled thereto to the *Caisse de Consignation* in Luxembourg in accordance with the 2010 Law. Amounts so deposited shall be forfeited in accordance with Luxembourg laws.

*Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes*

The Directors may decide at any moment the termination, division and/or amalgamation of any Sub-Fund. In the case of termination of a Sub-Fund, the Directors may offer to the shareholders of such Sub-Fund the conversion of their Class of shares into Classes of shares of another Sub-Fund, under terms fixed by the Directors.

In the event that for any reason the value of the net assets in any Sub-Fund or of any Class of shares within a Sub-Fund has decreased to an amount determined by the Directors from time to time to be the minimum level for such Sub-Fund or such Class of shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund, the Directors may decide to compulsorily redeem all the shares of the relevant Classes issued in such Sub-Fund at the Net Asset Value per share, taking into account actual realisation prices of investments and realisation expenses and calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the shareholders of the relevant Class of shares prior to the effective date of the 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 maintain equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the date effective for the compulsory redemption.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed shares will be cancelled in the books of the Company.

Under the same circumstances as provided for in paragraph 2 above the Directors may decide to reorganise a Sub-Fund or Class by means of a division into two or more Sub-Funds or Classes.

The Directors may decide to consolidate a Class of any Sub-Fund. The Directors may also submit the question of the consolidation of a Class to a meeting of holders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

Notwithstanding the powers conferred to the Directors by the preceding paragraphs, a general meeting of shareholders of any Sub-Fund (or Class as the case may be) may, upon proposal from the Directors, (i) decide that all shares of such Sub-Fund shall be redeemed and the Net Asset Value of the shares (taking into account actual realisation prices of investments and realisation expenses) refunded to shareholders, such Net Asset Value calculated as of the Valuation Day at which such decision shall take effect, and/or (ii) decide upon the division of a Sub-Fund or the division, consolidation or amalgamation of Classes of shares in the same Sub-Fund. There shall be no quorum requirements for such general meeting of shareholders at which resolutions shall be adopted by simple majority of the votes cast if

such decision does not result in the liquidation of the Company. Liquidation proceeds not claimed by the shareholders at the close of the liquidation of a Sub-Fund will be deposited at the *Caisse de Consignation* in Luxembourg. If not claimed they shall be forfeited in accordance with Luxembourg Law.

Any merger of a Sub-Fund shall be decided by the Directors unless Directors decide to submit the decision for a merger to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition, the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## **18. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS**

### *Documents available for inspection*

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The Key Investors Information Documents;
- iv) The latest annual and semi-annual reports; and
- v) The material agreements.

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the Key Investor Information Documents, the latest financial reports as well as information on the portfolio of the Sub-Funds may be obtained free of charge, on request at the registered office of the Company.

In addition, the Key Investor Information Documents may be obtained in paper form or on any other durable medium agreed between the Company or the intermediary and the investor.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of applicable laws and regulations. This additional information includes the remuneration policy, the conflict of interests policy, the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

### *Queries and complaints*

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company.

### **19. APPLICABLE LAW**

The Luxembourg District Court is competent for all legal disputes between the shareholders and the Company and Luxembourg law applies. Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practices.



<b>SCHEDULE A: SUB-FUND PARTICULARS</b>
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**ANNEX I - SATELLITE EVENT DRIVEN UCITS FUND – EVENT DRIVEN**

**1. Name of the Sub-Fund**

Satellite Event-Driven UCITS Fund – Event Driven

**2. Base Currency**

EUR

**3. Investment objective and policy**

The investment objective of the Sub-Fund is to achieve long term capital growth by investing primarily in event driven strategies, special corporate situations, equity value with a catalyst, merger-arbitrage strategies, and other similar equity strategies with the potential for generating alpha independently from market movements.

The Sub-Fund attempts to capture investment opportunities by investing in the shares of companies that currently are, or prospectively will be, involved in a variety of transactions or other events, including mergers and acquisitions, spin-offs, tender offers, shareholder buybacks, debt exchanges, securities issuance or other capital structure adjustments and regulatory changes.

The Management Company follows an investment process that relies essentially on corporate research and financial analysis, to identify and select potential investment targets.

The Management Company analyses the information available on every investment opportunity or arbitrage strategy and uses information and results of past corporate events or arbitrage strategies in order to assess the probability of the different outcomes, assess the upside potential and the downside risk inherent to the investment strategy, and detect the most promising opportunities.

The Management Company also bases itself on modelisation and statistical analysis in order to identify the potential drop in value of securities generated by the non-realisation of expected events, the occurrence of adverse events, or a failed merger or acquisition transaction.

The Management Company's decisions are discretionary and may evolve on a daily basis.

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

The Sub-Fund may invest in a variety of securities and derivative instruments, primarily in equities listed on the main European and North-American markets, or the corresponding CFD if and when suitable.

The Sub-Fund's portfolio will consist of both long and short positions, meaning that the acquisition of

a security can be compensated by the sale of another security, generally if relevant for an arbitrage strategy. The use of different arbitrage strategies allows to construct a diversified portfolio and will depend on the relevant market conditions.

The Management Company may invest in securities of companies that it believes are undervalued and which may become subject of a corporate event such as a merger, a takeover, a spin-off, a company restructuring, a business reshuffling, or similar transactions.

The Management Company may also invest in Merger-Arbitrage strategies, which seek to capture the spread created between the existing market price of a security and the anticipated value of that security based upon an announced or anticipated corporate event such as merger, takeover, spin-off or similar transactions. For instance, the typical Merger-Arbitrage strategy involves the buying and/or selling of the regular shares of involved companies, but other securities may be used at the sole discretion of the Management Company.

The Management Company may use derivative financial instruments and special techniques for the purpose of hedging the Sub-Fund against foreign exchange, interest rates and equity markets risks or in order to protect the value of the Sub-Fund's portfolio against the variation of other asset classes or to achieve its investment objective.

The Sub-Fund may also use derivative financial instruments for achieving exposure of the Sub-Fund to long and/or short positions as set forth above.

It is expected that the Sub-Fund's portfolio will be comprised largely of equity positions, including long and short positions on equity securities, as well as futures contracts and other derivatives. The Sub-Fund's investment universe may include, without limitation contracts for difference, common stocks, preferred stocks, warrants and other stock rights. The Sub-Fund may also invest, for hedging purposes primarily, in plain-vanilla listed options, futures and forwards contracts, currencies, money market obligations and other financial instruments.

For the purpose of this Sub-Fund Particular, a "preferred stock" is to be understood as stocks having one or more of the following features: (i) voting rights: partial or total, temporary or definitive limitation to the exercise of the voting rights; (ii) financial features: preferred dividend, dividend determined by reference to a specific rule or formula, preferred right to liquidation proceeds; (iii) other rights attached to the stocks: right to receive additional information, right to have representative seating at the board of directors of the company, etc; and (iv) redemption: rights for its holder to request redemption or conversion by the company in priority. "Common stocks" are to be understood as stocks other than preferred stocks as referred to above.

The expected exposure to contracts for difference amounts to 70% of the Sub-Fund's net asset value, subject to the maximum foreseen under section XII of Appendix 1 of this Prospectus.

Up to 10% of the Net Asset Value of the Sub-Fund may be borrowed on a temporary basis. Such borrowing may only be used for investment and/or liquidity purposes (e.g., to pay fees to a service

provider and/or cover shortfalls caused by mismatched settlement dates on purchase and sale transactions).

The Sub-Fund may not invest more than 10% of its assets into the units or shares of other UCIs.

The Sub-Fund will not invest in asset-backed securities or mortgage-backed securities.

The Sub-Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets for treasury purposes. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets up to 100% of its net assets.

In order to achieve its investment goals, under unfavourable market conditions or for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds, for up to 20% of its net assets. For defensive purposes in the best interest of shareholders, the Sub-Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

For the avoidance of doubt and pursuant to article 48 of the 2010 Law, the Sub-Fund will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

#### *German Investment Tax Act 2018*

Within the meaning and for the purpose of the German Investment Tax Act 2018, the Management Company confirms that the Sub-Fund will continuously invest at least 25% of its net assets directly in Equity Participations.

For the purpose of this paragraph, Equity Participations refers to:

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner);
2. Shares of a corporation which is not a real-estate company and which:
  - a. is resident in a member state of the European Union or another contractual country which is a party to the Agreement on the European Economic Area and is subject to income taxation for corporations in that state and is not tax exempt; or
  - b. is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from that taxation; or

3. Fund units of an equity fund (which is a fund that, pursuant to its investment guidelines, invests at least 51% of its gross assets on a continuous basis directly in Equity Participations), with 51% of the equity fund units' value being taken into account as Equity Participations; or
4. Fund units of a mixed fund (which is a fund that, pursuant to its investment guidelines, invests at least 25% of its gross assets on a continuous basis directly in Equity Participations), with 25% of the mixed fund units' value being taken into account as Equity Participations.

#### 4. ESG characteristics

The Sub-Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process. In that respect, the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. More information relating to the environmental and social characteristics of the Sub-Fund is provided in Schedule B in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

#### 5. Profile of the typical investor

This Sub-Fund may not be appropriate for investors who plan to withdraw their money within three years. The Sub-Fund may appeal to investors who have a basis investment knowledge, are interested in investment growth over time, have a medium to high risk tolerance and can bear a substantial temporary loss with respect to this investment, depending upon general market conditions and specific equity market movements.

#### 6. Classes of shares available for subscription

Classes	Reference Currencies	Distribution features	Fees	Minimum initial investments	Minimum subsequent investments amount
Early Bird	Euro (EUR)	capitalisation	Management Fee: 1% Performance Fee: 10%	EUR 50,000.00-	EUR 50,000.00-
A (USD)	A (USD)	capitalisation	Management Fee: 1.5% Performance Fee: 15%	EUR 50,000.00	EUR 50,000.00
A (EUR)	Euro (EUR)	capitalisation	Management Fee: 1.5% Performance Fee: 15%	EUR 50,000.00-	EUR 50,000.00-

Seeder	Euro (EUR)	capitalisation	Management Fee: 1% Performance Fee: 10%	EUR 50,000.00-	EUR 50,000.00-
R	Euro (EUR)	capitalisation	Management Fee: 1.75% Performance Fee: 17.5%	EUR 5,000.00-	N/A
Club Deal	Euro (EUR)	capitalisation	Management Fee: 1% Performance Fee: 10%	EUR 2,000,000.00-	EUR 50,000.00-

Class A (EUR), Class A (USD), Class R and Class Club Deal shares will be available to all investors.

The Early Bird Class of shares was available for initial subscription to all investors for a period of fifteen (15) calendar days following the launch date of the Sub-Fund to occur on 9 July 2018 or any other date as determined by the Management Company (the "**Launch Date**"). In addition, any investor having initially subscribed at least 2 million EUR as Early Bird Class Shareholders was allowed to subscribe additional Early Bird Shares during a period of six months following the Launch Date, subject to approval by the Company, provided that such investor may subsequently subscribe Early Bird Shares only for maximum additional amount such as his total investment in Early Bird Shares was limited to EUR 10 million in total.

The Seeder Class will be available to investors accepted by the Board of Directors at its discretion.

#### *Performance Fee*

The Performance Fee calculation mechanism is set out under section "9. Charges and Expenses" of the General Part of the Prospectus.

Performance Fees are payable within fifteen (15) Business Days following the approval of the annual accounts by the annual general meeting of shareholders of the Company.

The first Performance Fee crystallisation period corresponds to the accounting year of the Company, except for the first performance fee crystallisation period, which will begin at the end of the initial subscription period of the relevant Class and terminate either on the date immediately preceding the next crystallisation period or the date immediately preceding the following crystallisation period so that the calculation period is of at least 12 months.

### *Booster mechanism applicable to the Seeder Class*

A certain percentage, on a sliding scale with a maximum of 15%, as from EUR 35 million, as the target total subscriptions in the Seeder Class, and prorated by the percentage of the Seeder Class Shares subscribed that are still invested by their investor and have not been redeemed, of the Management Fee payable by the other Share Classes excluding the Early Bird shares (including, but not limited to the A Classes, the R Class and the Club Deal Class, but excluding the Early Bird Class) (the "**Other Share Classes**") shall be paid back to the Seeder Class (on a pro-rata basis based on the respective subscriptions of the Seeder Class that are still invested and have not been redeemed) until the expiry of a five-year period commencing on the Launch Date of the Seeder Class, as decided by the Management Company in its discretion.

The amount of equalisation fee to be paid back to the Seeder Class will be calculated as follows (the "**Management Fee Boost**"):

$$A = \frac{B}{35} \times 15\% * \times C$$

Where:

- "A" equals the amount of equalisation fee to be paid back to the Seeder Class out of the Management Fees paid to the Management Company by the Other Share Classes;
- "B" equals the amount (in millions of Euros) of subscriptions still invested in the Seeder Class at the end of each considered calculation period of time;
- "C" equals the amount of Management Fees paid by the Other Share Classes to the Management Company;
- "\*" the actual percentage will apply on a sliding scale with a maximum of 15%.

The Management Company will pay the Management Fee Boost to the Seeder Class on a monthly basis in arrears, within fifteen (15) Business Days following payment of the Management Fees by the Other Share Classes to the Management Company, for the considered calculation period of time.

In addition, a certain percentage, on a sliding scale with a maximum of 15%, as from EUR 35 million, as the target total subscriptions in the Seeder Class, and prorated by the percentage of the Seeder Class Shares subscribed that are still invested by their investor and have not been redeemed, of the Performance Fee payable by Other Share Classes shall be paid back to the Seeder Class (on a *pro-rata* basis based on the respective subscriptions of each Seeder Class that are still invested and have not been redeemed) until the expiry of a five-year period commencing on the Launch Date of the Seeder Class, as decided by the Management Company in its discretion.

The amount of equalisation fee to be paid back to the Seeder Class will be calculated as follows (the "**Performance Fee Boost**"):

$$A = \frac{B}{35} \times 15\%^* \times C$$

Where:

- "A" equals the amount of equalisation fee to be paid back to the Seeder Class out of the Performance Fees paid to the Management Company by the Other Share Classes;
- "B" equals the amount (in millions of Euros) of subscriptions still invested in the Seeder Class at the end of each considered calculation period of time;
- "C" equals the amount of Performance Fees paid by Other Share Classes to the Management Company (excluding Charities donations);
- "\*" the actual percentage will apply on a sliding scale with a maximum of 15%.

The Management Company will pay the Performance Fee Boost to the Seeder Class in arrears, within fifteen (15) Business Days following payment of the Performance Fees by the Other Share Classes to the Management Company, for the considered calculation period of time.

*Booster mechanism applicable to the Club Deal Class*

A certain percentage, on a sliding scale with a maximum of 8%, as from EUR 35 million, as the target total subscriptions in the Club Deal Class, and prorated by the percentage of the Club Deal Class of Shares subscribed that are still invested by their investor and have not been redeemed, of the Management Fee payable by the Share Classes A (EUR) and A (USD) (the "**A Share Classes**") shall be paid back to the Club Deal Class (on a pro-rata basis based on the respective subscriptions of the Club Deal Class that are still invested and have not been redeemed) until the expiry of a five-year period commencing on 30 November 2021, as decided by the Management Company in its discretion.

The amount of equalisation fee to be paid back to the Club Deal Class will be calculated as follows (the "**Management Fee Boost**"):

$$A = \frac{B}{35} \times 8\%^* \times C$$

Where:

- "A" equals the amount of equalisation fee to be paid back to the Club Deal Class out of the Management Fees paid to the Management Company by the A Share Classes;
- "B" equals the amount (in millions of Euros) of subscriptions still invested in the Club Deal Class at the end of each considered calculation period of time;

- "C" equals the amount of Management Fees paid by the A Share Classes to the Management Company;
- "\*" the actual percentage will apply on a sliding scale with a maximum of 8%.

The Management Company will pay the Management Fee Boost to the Club Deal Class on a monthly basis in arrears, within fifteen (15) Business Days following payment of the Management Fees by the A Share Classes to the Management Company, for the considered calculation period of time.

In addition, a certain percentage, on a sliding scale with a maximum of 8%, as from EUR 35 million, as the target total subscriptions in the Club Deal Class, and prorated by the percentage of the Club Deal Class of Shares subscribed that are still invested by their investor and have not been redeemed, of the Performance Fee payable by A Share Classes shall be paid back to the Club Deal Class (on a *pro-rata* basis based on the respective subscriptions of each Club Deal Class that are still invested and have not been redeemed) until the expiry of a five-year period commencing on 30 November 2021, as decided by the Management Company in its discretion.

The amount of equalisation fee to be paid back to the Club Deal Class will be calculated as follows (the "**Performance Fee Boost**"):

$$A = \frac{B}{35} \times 8\% * \times C$$

Where:

- "A" equals the amount of equalisation fee to be paid back to the Club Deal Class out of the Performance Fees paid to the Management Company by the A Share Classes;
- "B" equals the amount (in millions of Euros) of subscriptions still invested in the Club Deal Class at the end of each considered calculation period of time;
- "C" equals the amount of Performance Fees paid by A Share Classes to the Management Company (excluding Charities donations);
- "\*" the actual percentage will apply on a sliding scale with a maximum of 8%.

The Management Company will pay the Performance Fee Boost to the Club Deal Class in arrears, within fifteen (15) Business Days following payment of the Performance Fees by the A Share Classes to the Management Company, for the considered calculation period of time.

## **7. Business Day/Valuation Day/Net Asset Value calculation**

*Frequency of the calculation of the Net Asset Value per share*

The Net Asset Value per share of each class of shares will be determined as of each complete Business Day (the "**Valuation Day**").



## **8. Subscriptions**

### *a) Subscriptions during the Initial Offer Period*

During the initial offer period which is expected to take place from 2 July 2018 to 6 July 2018 or any other date determined by the Management Company (the "**Initial Offer Period**"), subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price per share (the "**Initial Offering Price**") equal to EUR 1,000.00- per share.

Applications along with AML&KYC documentation must be received by the Registrar and Transfer Agent no later than 2 p.m. on the last day of the Initial Offer Period. Subscription monies must be settled at the latest the last day of the Initial Offer Period.

In case an application for subscription is rejected by the Directors, the subscription monies will immediately be returned to the investor.

### *b) Subscriptions after the Initial Offer Period*

Shares will be issued at a price based on the Net Asset Value per share calculated on the relevant Valuation Day.

Subscription applications received by the Administration Agent before 2 p.m., Luxembourg time, on the relevant Valuation Day on which the application is to be effected shall be processed, if accepted, on the basis of the Net Asset Value per share determined on that Valuation Day. Applications sent after this deadline shall be executed on the next applicable Valuation Day, unless otherwise decided by the Board of Directors. The subscription price of each Share is payable no later than three (3) Business Days after the applicable Valuation Day in the unit currency of the relevant Class of Shares or in any other freely convertible currency specified by the Shareholder (in which case any currency conversion costs shall be borne by the Shareholder). If the payment is not received in due time, the subscription will be cancelled, unless otherwise decided by the Board of Directors. Where the applications have been rejected by the Company, the subscription monies paid will be returned to the relevant investors on the day following the subscription order's rejection.

## **9. Dividends**

The Directors do not intend to declare dividends on Accumulating Shares. Accordingly, the Sub-Fund's income, attributable to those share Classes is reflected in the Net Asset Value per share.

## **10. Redemption of Shares**

Redemption applications notified to the Administration Agent before 2 p.m., Luxembourg time, on the relevant Valuation Day on which the application is to be effected shall be processed on the basis of the Net Asset Value per share determined on that Valuation Day.

The payment for redeemed shares shall be made in their relevant unit currency or in any currency specified by the shareholder (in which case any currency conversion costs shall be borne by the

shareholder) within three (3) Business Days following the applicable Valuation Day, provided the Company has received all the required documents.

Shares will be redeemed at a price based on the Net Asset Value per share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed above.

Applications notified after this deadline shall be dealt with on the next applicable Valuation Day, unless otherwise decided by the Board of Directors.

## **11. Historical Performance**

Information on the historical performance of the Sub-Fund will be disclosed in the relevant Key Investor Information Document.

## **12. Risk Warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the section "Risk Consideration" in the General Part of the Prospectus.

## **13. Rebates of Management Fee**

To the extent permitted by law, the Management Company may rebate a portion of the Management Fee to sub-distributors.

## **ANNEX 2 - SATELLITE EVENT DRIVEN UCITS FUND – MERGER ARBITRAGE**

### **1. Name of the Sub-Fund**

Satellite Event-Driven UCITS Fund – Merger Arbitrage

### **2. Base Currency**

EUR

### **3. Investment objective and policy**

The investment objective of the Sub-Fund is to achieve long term capital growth by investing primarily in merger-arbitrage strategies, and other similar equity strategies with the potential for generating alpha independently from market movements.

Merger-arbitrage strategies seek to capture the spread created between the existing market price of a security and the anticipated value of that security based upon an announced or anticipated corporate event such as merger, takeover, spin-off or similar transactions. For instance, the typical Merger-Arbitrage strategy involves the buying and/or selling of the regular shares of involved companies, but other securities may be used at the sole discretion of the Management Company.

The Sub-Fund attempts to capture investment opportunities by investing in the shares of companies that currently are, or prospectively will be, involved in mergers and acquisitions, and similar corporate activity and capital structure adjustments.

The Management Company follows an investment process that relies essentially on corporate research and financial analysis, to identify and select potential investment targets.

The Management Company analyses the information available on every investment opportunity or arbitrage strategy and uses information and results of past corporate events and arbitrage strategies in order to assess the probability of the different outcomes, assess the upside potential and the downside risk inherent to the investment strategy, and detect the most promising opportunities.

The Management Company has also developed and implemented a proprietary quantitative model to evaluate the likelihood of corporate actions, the probable outcome and value of announced and current transactions, and determine their sizing in the portfolio relying on numerous statistical, financial and non-financial factors.

The Management Company also bases itself on modelisation and statistical analysis in order to identify the potential drop in value of securities generated by the non-realisation of the expected events, the occurrence of adverse events, or the failure of the merger or acquisition transaction.

The Management Company's decisions are discretionary and may evolve on a daily basis.

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

The Sub-Fund may invest in a variety of securities and derivative instruments, primarily in equities listed on the main European and North-American markets, or the corresponding CFD if and when suitable.

The Sub-Fund's portfolio will consist of both long and short positions, meaning that the acquisition of a security can be compensated by the sale of another security, generally if relevant for an arbitrage strategy. The use of different arbitrage strategies allows to construct a diversified portfolio and will depend on the relevant market conditions.

The Management Company may use derivative financial instruments and special techniques for the purpose of hedging the Sub-Fund against foreign exchange, interest rates and equity markets risks or in order to protect the value of the Sub-Fund's portfolio against the variation of other asset classes or to achieve its investment objective.

The Sub-Fund may also use derivative financial instruments for achieving exposure of the Sub-Fund to long and/or short positions as set forth above.

It is expected that the Sub-Fund's portfolio will be comprised largely of equity positions, including long and short positions on equity securities, as well as futures contracts and other derivatives. The Sub-Fund's investment universe may include, without limitation contracts for difference, common stocks, preferred stocks, warrants and other stock rights. The Sub-Fund may also invest, for hedging purposes primarily, in plain-vanilla listed options, futures and forwards contracts, sub-indices, relevant equity baskets, currencies, money market obligations and other financial instruments.

For the purpose of this Sub-Fund Particular, a "preferred stock" is to be understood as stocks having one or more of the following features: (i) voting rights: partial or total, temporary or definitive limitation to the exercise of the voting rights; (ii) financial features: preferred dividend, dividend determined by reference to a specific rule or formula, preferred right to liquidation proceeds; (iii) other rights attached to the stocks: right to receive additional information, right to have representative seating at the board of directors of the company, etc; and (iv) redemption: rights for its holder to request redemption or conversion by the company in priority. "Common stocks" are to be understood as stocks other than preferred stocks as referred to above.

The expected exposure to contracts for difference amounts to 40% of the Sub-Fund's net asset value, subject to the maximum foreseen under section XII of Appendix 1 of this Prospectus.

Up to 10% of the Net Asset Value of the Sub-Fund may be borrowed on a temporary basis. Such borrowing may only be used for investment and/or liquidity purposes (e.g., to pay fees to a service provider and/or cover shortfalls caused by mismatched settlement dates on purchase and sale transactions).

The Sub-Fund may not invest more than 10% of its assets into the units or shares of other UCIs.

The Sub-Fund will not invest in asset-backed securities or mortgage-backed securities.

The Sub-Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets for treasury purposes. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets up to 100% of its net assets.

In order to achieve its investment goals, under unfavourable market conditions or for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds, for up to 20% of its net assets. For defensive purposes in the best interest of shareholders, the Sub-Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

For the avoidance of doubt and pursuant to article 48 of the 2010 Law, the Sub-Fund will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

#### *German Investment Tax Act 2018*

Within the meaning and for the purpose of the German Investment Tax Act 2018, the Management Company confirms that the Sub-Fund will continuously invest at least 25% of its net assets directly in Equity Participations.

For the purpose of this paragraph, Equity Participations refers to:

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner);
2. Shares of a corporation which is not a real-estate company and which:
  - a. is resident in a member state of the European Union or another contractual country which is a party to the Agreement on the European Economic Area and is subject to income taxation for corporations in that state and is not tax exempt; or
  - b. is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from that taxation;
3. Fund units of an equity fund (which is a fund that, pursuant to its investment guidelines, invests at least 51% of its gross assets on a continuous basis directly in Equity Participations), with 51% of the equity fund units' value being taken into account as Equity Participations; or
4. Fund units of a mixed fund (which is a fund that, pursuant to its investment guidelines, invests at least 25% of its gross assets on a continuous basis directly in Equity Participations), with 25% of the mixed fund units' value being taken into account as Equity Participations.

#### 4. ESG characteristics

The Sub-Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process. In that respect, the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. More information relating to the environmental and social characteristics of the Sub-Fund is provided in Schedule B in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

#### 5. Profile of the typical investor

This Sub-Fund may not be appropriate for investors who plan to withdraw their money within three years. The Sub-Fund may appeal to investors who have a basis investment knowledge, are interested in investment growth over time, have a medium to high risk tolerance and can bear a substantial temporary loss with respect to this investment, depending upon general market conditions and specific equity market movements.

#### 6. Classes of shares available for subscription

Classes	Reference Currencies	Distribution features	Fees	Minimum initial investments	Minimum subsequent investments amount
Early Bird	Euro (EUR)	capitalisation	Management Fee: 1% Performance Fee: 10%	EUR 50,000.00-	EUR 50,000.00-
A (EUR)	Euro (EUR)	capitalisation	Management Fee: 1.5% Performance Fee: 15%	EUR 50,000.00-	EUR 5,000.00-

Class A (EUR) shares will be available to all investors.

The Early Bird Class of shares will remain available for subscription to all investors for a period of fifteen (15) calendar days following the launch date of the Sub-Fund to occur immediately following the Initial Offer Period (as defined below) or any other date as determined by the Management Company (the "**Launch Date**"). In addition, any investor having initially subscribed at least 2 million EUR as Early Bird Class Shareholders will be allowed to subscribe additional Early Bird Shares during a period of six months following the Launch Date, subject to approval by the Company, provided that such investor may subsequently subscribe Early Bird Shares only for maximum additional amount such as his total investment in Early Bird Shares will be limited to EUR 10 million in total.

### *Performance Fee*

The Performance Fee calculation mechanism is set out under section "Charges and Expenses" of the General Part of the Prospectus.

Performance Fees are payable within fifteen (15) Business Days following the approval of the annual accounts by the annual general meeting of shareholders of the Company.

The first Performance Fee crystallisation period corresponds to the accounting year of the Company, except for the first performance fee crystallisation period, which will begin at the end of the initial subscription period of the relevant Class and terminate either on the date immediately preceding the next crystallisation period or the date immediately preceding the following crystallisation period so that the calculation period is of at least 12 months.

## **7. Business Day/Valuation Day/Net Asset Value calculation**

### *Frequency of the calculation of the Net Asset Value per share*

The Net Asset Value per share of each class of shares will be determined as of each complete Business Day (the "**Valuation Day**").

## **8. Subscriptions**

### *a) Subscriptions during the Initial Offer Period*

During the initial offer period which is expected to take place from 11<sup>th</sup> July 2022 to 29<sup>th</sup> July 2022 or any other date determined by the Management Company (the "**Initial Offer Period**"), subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price per share (the "**Initial Offering Price**") equal to EUR 1,000.00- per share.

Applications along with AML&KYC documentation must be received by the Registrar and Transfer Agent no later than 2 p.m. on the last day of the Initial Offer Period. Subscription monies must be settled at the latest the last day of the Initial Offer Period.

In case an application for subscription is rejected by the Directors, the subscription monies will immediately be returned to the investor.

### *b) Subscriptions after the Initial Offer Period*

Shares will be issued at a price based on the Net Asset Value per share calculated on the relevant Valuation Day.

Subscription applications received by the Administration Agent before 2 p.m., Luxembourg time, on the relevant Valuation Day on which the application is to be effected shall be processed, if accepted, on the basis of the Net Asset Value per share determined on that Valuation Day. Applications sent after

this deadline shall be executed on the next applicable Valuation Day, unless otherwise decided by the Board of Directors. The subscription price of each Share is payable no later than three (3) Business Days after the applicable Valuation Day in the unit currency of the relevant Class of Shares or in any other freely convertible currency specified by the Shareholder (in which case any currency conversion costs shall be borne by the Shareholder). If the payment is not received in due time, the subscription will be cancelled, unless otherwise decided by the Board of Directors. Where the applications have been rejected by the Company, the subscription monies paid will be returned to the relevant investors on the day following the subscription order's rejection.

## **9. Dividends**

The Directors do not intend to declare dividends on Accumulating Shares. Accordingly, the Sub-Fund's income, attributable to those share Classes is reflected in the Net Asset Value per share.

## **10. Redemption of Shares**

Redemption applications notified to the Administration Agent before 2 p.m., Luxembourg time, on the relevant Valuation Day on which the application is to be effected shall be processed on the basis of the Net Asset Value per share determined on that Valuation Day.

The payment for redeemed shares shall be made in their relevant unit currency or in any currency specified by the shareholder (in which case any currency conversion costs shall be borne by the shareholder) within three (3) Business Days following the applicable Valuation Day, provided the Company has received all the required documents.

Shares will be redeemed at a price based on the Net Asset Value per share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed above.

Applications notified after this deadline shall be dealt with on the next applicable Valuation Day, unless otherwise decided by the Board of Directors.

## **11. Historical Performance**

Information on the historical performance of the Sub-Fund will be disclosed in the relevant Key Investor Information Document.

## **12. Risk Warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the section "Risk Consideration" in the General Part of the Prospectus.



### **13. Rebates of Management Fee**

To the extent permitted by law, the Management Company may rebate a portion of the Management Fee to sub-distributors.

**SCHEDULE B: SFDR PRE-CONTRACTUAL DISCLOSURES**

**I - SATELLITE EVENT DRIVEN UCITS FUND – EVENT DRIVEN**

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

**Product name:** SATELLITE EVENT DRIVEN UCITS FUND – EVENT DRIVEN (the “Fund”)

**Legal entity identifier:** 875500K4NRI29J7W3D29

## Environmental and/or social characteristics

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

**Yes**

**No**

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

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

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

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

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

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

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

with a social objective

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

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

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



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

The Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process by (i) applying sectorial exclusions, (ii) applying a proprietary ESG scoring, (iii) applying a due diligence questionnaire to target companies (iv) analyzing reports issued by the target companies and (v) actively engaging with the target companies.

These ESG characteristics are studied, monitored and rated by the Manager’s research and investment team, as well as the risk management team.

No reference benchmark has been designated for the purpose of attaining the

environmental or social characteristics promoted by the Fund.

**Sustainability indicators**

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

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

The Fund promotes E/S characteristics by assessing, following, and engaging on the following sustainability indicators:

1/ Share of potential investments which are excluded from the investment universe due to Exclusions (as defined below)

2/ Impact on target companies generated as a result of the Manager's in-house company ESG research and resulting dialogue with the target companies, the Manager's active engagement with target companies and the Manager's voting policy

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

N/A

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

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

**Principal adverse impacts**

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

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

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

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



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

Yes, \_\_\_\_\_

No

No, from a regulatory standpoint. But the Manager takes into account certain adverse impacts related to E, S, and G matters into its research process, such as GHG emissions, Carbon Footprint, GHG intensity, Fossil Fuel sector, Board gender diversity, Gender Pay gap, Exposure to controversial weapons, etc.



## What investment strategy does this financial product follow?

The Manager uses equity-based investment strategies to generate returns from its catalyst-driven approach. The investment universe consists essentially of listed companies on the main European stock exchanges. The investment process relies on the Manager's fundamental financial analysis and research of expected catalysts and special events. The approach uses extra financial filters as part of its filters to select investments in the Fund, and uses active and constructive engagement, notably on ESG matters.

The different steps implemented are as follows:

### 1/ Exclusions

The Manager applies screenings in order to exclude sectors from the investment universe on the basis of specific criteria (the “**Exclusions**”). Some exclusion criteria are based on income from unwanted activities; for example, the extraction of coal in order to produce electricity; or else on the nature of the activity such as for the extraction of unconventional oil and gas, pornography, weapons, gambling, activities dangerous to health such as tobacco. The Manager also excludes Critical controversies that are Non-Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e. not addressed by the management of the company. And last the Manager excludes the worst 15% of the proprietary ESG Scorings from the initial investment universe of the Fund.

Overall, more than 20% of companies which could have been eligible for investment without application of these criteria, methodologies and ratings are excluded.

#### a) Sectorial Exclusions

- Companies deriving more than 20% of their revenues from thermal coal extraction & coal-based power generation,
- Companies deriving more than 20% of their revenues from the exploration and production of unconventional oil & gas,
- Companies deriving more than 20% of their revenues from controversial weapon production activities (Anti-Personnel Landmines, Chemical and Biological Weapons, Cluster Bombs Production, Incendiary Weapons).

An exception may arise when the Fund engages and work directly with the company to improve their environmental performance and focus on more sustainable activities. The Fund encourages sustainable transition.

Furthermore, the Fund excludes companies that do not align with our values. The exclusions include:

- Companies involved in Gambling Production,
- Companies involved in the production of Adult Entertainment,
- Companies involved in the Tobacco production.

*b) Exclusion of Critical controversies that are Non-Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e. not addressed by the management of the company.*

*c) Exclusion of the 15% worst ESG Scorings from the initial investment universe of the Fund. The ESG scoring is a proprietary scoring computed by doing the average of the 4 following factors:*

- The E&S scoring (Environmental & Social)
- The G scoring (Governance)
- ESG sentiment scoring
- Controversies scoring.

To analyse each company's ESG performance, the research team uses more than 30 metrics in the ESG framework, firstly focusing on ESG issues that have the most direct link to operations, industry by industry.

The Fund integrates ESG analysis of companies into its investment process, in order to monitor the ESG-related risks that companies face. This scoring is applied to at least 90% of the companies held in the Fund.

The scoring of the portfolio is compared to the scoring of the investment universe and should be above the average of the scoring of the investment universe.

## 2/ In house company ESG research

The primary screening and tracking of ESG topics for any company analysed comes from the Manager's proprietary ESG Scoring component. To go further and obtain the most precise and comprehensive understanding possible of a company's ESG profile, and position it in relation to its peers, the Manager uses, in addition to ESG data providers and controversies, the companies' annual reports, sustainability and audit reports, competitors' company reports, CDP reports, Science Base Target reports, and any other public initiatives in which the company participates, European Commission sector working groups, sustainability media and social media.

The goal is to have an as precise as possible understanding of a company's ESG profile (not only coming from the ESG data providers), and its position versus its closest peers.

This analysis requires identifying weak points for each risk factor identified in CIAM's proprietary Due Diligence questionnaire, finding the best performer by theme in each sector, and identifying significant business improvements against a market benchmark.

All these results and points of engagement are formalized in detailed company by company ESG research documents. This analysis allows the Manager to engage in a dialogue with the companies in order to confront this analysis with their positions and to assess the impact on the company, and possibly, if deemed necessary, to actively push the company towards what the manager considers to be a sustainable and positive transformation.

The Manager's research team identifies the relevant & material ESG information (under the SASB materiality map) for each company in their sector, making it easier to compare between companies and anticipating the likely evolution of this data.

The research team uses a sector-specific proprietary due diligence questionnaire to determine which companies are most exposed and best positioned to ESG operational risks and their impact on products.

All applicable (i.e. material) ESG criteria for each sector are listed, in order to make each criterion specific to each sector to enable targeted analysis and conclusions.

The objective is to identify and monitor the main material drivers that can stimulate the sustainable performance of a company as well as the associated risks. The process is designed to enable the Fund to engage in an ongoing dialogue with companies around ESG issues in order to identify and quantify their risks and value creation potential.

Companies with positive ESG characteristics have the best combination of systems, governance structures, cultures and human values that ensure consistent and growing returns for all stakeholders.

The Manager's research team analyses specific risk factors of companies related to ESG matters, materializing into company ESG research reports.

The Manager incorporates into its analysis the following ESG issues:

- Transparency - we review the reporting and question the transparency of companies we consider for investment. For instance, we examine whether they:
  - Issue a corporate responsibility report
  - Link management's remuneration to corporate responsibility factors, using clear, transparent and auditable KPIs.
- Corporate behaviour and leadership – we review the way each company integrates ESG issues in their value creation process. For example, we question its ability to:
  - Absorb systemic shocks and regulatory changes
  - Acknowledge and take into account the low-probability high-impact risks directly posed to the environment, to society, to its workforce etc.
  - Manage arising issues around product quality & safety
  - Adapt the business model to reach and create new markets.
- Environment – where relevant we review and question companies' views, business plans and commitments on:
  - Disclosure of on Carbon emissions (scope 1, 2 & 3)
  - Alignment with the objectives of the Paris Agreement and phasing out of services provided to unsustainable sectors
  - Setting clear evidence-based carbon reduction targets, clear governance and ownership of the issue
  - Board level of oversight of climate change transition and impact
  - Ability to meet the evolving environmental regulation

- Etc.
- Human capital management factors – we believe value creation and purpose are intertwined with the promotion of:
  - Decent labour conditions – minimum wages, types of contracts, employees’ health and safety
  - Diversity and equality in the workforce, at all levels and specifically at top executive levels
  - Constructive and positive relationship with other stakeholders – employees, unions, customers, suppliers and the community at large.
- Human rights – we take into consideration the respect of human rights by companies. We do not hesitate to engage in a dialogue on this issue because we believe that it is a driver of progress and value. To this purpose, we encourage:
  - The inclusion of human rights within our sustainability policies;
  - Identification and prevention of human rights risks in the company's activities and value chain;
  - Transparency in the disclosure of data on the company's impact on human rights;
  - Implementation of due diligence processes;
  - Consideration of human rights by the highest level of management of the company;
  - Participation in collective engagement initiatives that promote human rights;
  - Participation to the UN Global Compact initiative;
  - Companies to provide remedies to affected people, where appropriate.
- Social capital – where relevant we review the company’s approach to:
  - Management of public harm risks around product security and its use of potentially harmful products
  - Employee incentives practices on products that may not be in the best interest of customers
- Corporate governance – we pay special attention to (among others)
  - Top management role separation
  - Board independence, skills and diversity
  - Executive compensation
  - Existence of poison pills
  - Related party transactions.

As a summary, the Manager research team performs the following:

- Define the key points according to the SASB Map,
- Identify weaknesses and strengths in relation to the themes,
- Search for information on these points in the company's public documents, as well as other sources of information,
- Study possible participation in seminars or working groups,
- Read the documents that may have been made available to third parties on the topic,
- Research the themes among the company's main competitors in order to establish a comparison,
- Find clear indicators of these changes in practical steps taken by the company,
- Wherever possible, list the actions to be taken in order to reduce the gap with the most advanced peers,
- Dialogue with the company on these matters.

All these findings and engagement points are formalized in a detailed company ESG research document.

### 3/ Active engagement with companies

The Manager, in line with its active & engaged commitment, engages with corporates over material Governance, Social and Environmental issues, and pushes them to improve in specific domains of concern, in a proprietary form of constructive engagement.

As the company comes back with answers, the team can gain a specific view on a sector and at the company-level. This enables the Manager to gain a better understanding of the main risks and the specific points that need additional investigation.

After an initial dialogue, the Manager can, if deemed necessary, try to influence the company towards what the Manager considers to be a sustainable and positive transformation (engagement for impact), going as far as going public with the matters of discussion, but only if the Manager sees not enough/further evolution coming from the company. Finally, the Manager may take legal actions.

### 4/ Voting engagement

Voting rights are exercised in order to vote in accordance with the defined voting policy and in the interests of shareholders. The Manager will exercise the voting rights in the AGMs of the companies where they are invested in shares with voting rights.

The Manager has chosen to vote on more than 90% of the positions in which it holds voting rights.

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

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

The Fund targets a range of sectors, and typical ESG friendly sectors are one of many sectors the Fund may invest in. But as previously mentioned, the Fund does not have as its objective or strategy to make sustainable investments.

As part of the promotion of ESG characteristics, the Fund has implemented a number of exclusions:

1/ Sectorial exclusions

2/ Exclusion of critical and non-communicative controversies (i.e., not addressed by the management)

3/ Exclusion of the ESG Scorings below 15/100 from the initial investment universe.

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

A minimum of 20% of the companies which would have been eligible for investment without the application of the ESG criteria, methodologies and ratings will be excluded.



### **Good governance**

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

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

In order to evaluate governance best practices, the Manager uses its own G scoring (included in the Manager's proprietary ESG scoring), which takes into account the following topics:

- **Independence & Accountability:** Director Independence, Independent leadership, Executive compensation (including ESG KPIs), Auditor independence, Board elections, shareholder rights & controls, anti-takeover provisions
- **Board composition:** Board tenure, board size, board diversity, outside board affiliations, board skills

Human resources are covered under the "S" scoring of the Manager's proprietary ESG Scoring (included in the E&S section), and includes Employee engagement (Employee compensation, Employee turnover, Training hours, ...), Diversity (Women employees, Women mobility gap, ...), and Safety (Injustice rate, Fatalities rate, Employee Health & Safety policy, ...).

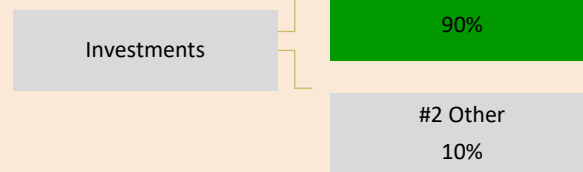
The Manager also incorporates these topics in its active engagements with companies, including in some cases with the board of directors, as well as in its votes to favor increased transparency, including by supporting other shareholders resolutions as well as by filing its own shareholders resolutions.

Last, portfolio companies are required to comply with applicable laws, rules and regulations in the markets in which they operate, including tax compliance.



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

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

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

**#1 Aligned with E/S characteristics:** at least 90% of the fund's investments have an ESG Scoring and are intended to achieve the environmental or social characteristics that it promotes, in accordance with the binding elements of the investment strategy.

“#2 Other” investments correspond to investments that are outside the scope of minimum limit of 90% integrating environmental and social characteristics and may correspond to listed shares for which the entire ESG analysis may not have been completed or derivatives and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective.

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

The Fund may use derivative financial instruments and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective.

The use of derivative instruments does not contribute to achieving the characteristics environmental and/or social aspects of the Fund.



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

N/A

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

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

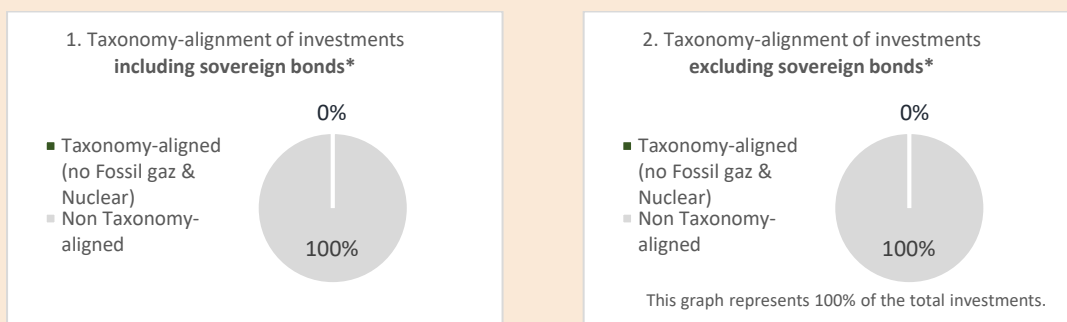
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Fund does not undertake to make sustainable investments. Therefore, the Fund does not commit to minimum sustainable investments with an environmental objective aligned with the EU taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

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



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

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

N/A

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.



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

N/A

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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



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

N/A



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

The remaining part of the portfolio (i.e. outside the minimum proportion of 90%) corresponds to listed shares for which the entire ESG analysis may not have been completed or derivatives and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective. These investments may comply with certain of the ESG criteria but are systematically covered by ESG analysis.

No minimum environmental and social safeguards are applied for these investments.



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

Currently no index has been designated as a reference benchmark.

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

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

- *How does the designated index differ from a relevant broad market index?*

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A



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

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

<https://www.ci-am.com/documents/>

## 2 - SATELLITE EVENT DRIVEN UCITS FUND – MERGER ARBITRAGE

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

**Product name:** SATELLITE EVENT DRIVEN UCITS FUND – MERGER ARBITRAGE (the “Fund”)

**Legal entity identifier:** 222100JK5KF9PRIHDT27

#### Sustainable investment

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

#### The EU Taxonomy

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

## Environmental and/or social characteristics

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

Yes

No

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

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

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

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

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

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

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

with a social objective

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



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

The Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process by (i) applying sectorial exclusions, (ii) applying a proprietary ESG scoring, (iii) applying a due diligence questionnaire to target companies (iv) analyzing reports issued by the target companies and (v) actively engaging with the target companies.

These ESG characteristics are studied, monitored and rated by the Manager’s research and investment team, as well as the risk management team.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

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

The Fund promotes E/S characteristics by assessing, following, and engaging on the following sustainability indicators:

1/ Share of potential investments which are excluded from the investment universe due to Exclusions (as defined below)

2/ Impact on target companies generated as a result of the Manager's in-house company ESG research and resulting dialogue with the target companies, the Manager's active engagement with target companies and the Manager's voting policy

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

N/A

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

N/A

— How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

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

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

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

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



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

Yes, \_\_\_\_\_

No

No, from a regulatory standpoint. But the Manager takes into account certain adverse impacts related to E, S, and G matters into its research process, such as GHG emissions, Carbon Footprint, GHG intensity, Fossil Fuel sector, Board gender diversity, Gender Pay gap, Exposure to controversial weapons, etc.



## What investment strategy does this financial product follow?

The Manager uses equity-based investment strategies to generate returns from its catalyst-driven approach. The investment universe consists essentially of listed companies on the main European stock exchanges. The investment process relies on the Manager's fundamental financial analysis and research of expected catalysts and special events. The approach uses extra financial filters as part of its filters to select investments in the Fund, and uses active and constructive engagement, notably on ESG matters.

The different steps implemented are as follows:

### 1/ Exclusions

The Manager applies screenings in order to exclude sectors from the investment universe on the basis of specific criteria (the "Exclusions"). Some exclusion criteria are based on income from unwanted activities; for example, the extraction of coal in order to produce electricity; or else on the nature of the activity such as for the extraction of unconventional oil and gas, pornography, weapons, gambling, activities dangerous to health such as tobacco. The Manager also excludes Critical controversies that are Non-Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e. not addressed by the management of the company. And last the Manager excludes the worst 15% of the proprietary ESG Scorings from the initial investment universe of the Fund.

Overall, more than 20% of companies which could have been eligible for investment without application of these criteria, methodologies and ratings are excluded.

### b) Sectorial Exclusions

- Companies deriving more than 20% of their revenues from thermal coal extraction & coal-based power generation,
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- Companies deriving more than 20% of their revenues from controversial weapon production activities (Anti-Personnel Landmines, Chemical and Biological Weapons, Cluster Bombs Production, Incendiary Weapons).

An exception may arise when the Fund engages and work directly with the company to improve their environmental performance and focus on more sustainable activities. The Fund encourages sustainable transition.

Furthermore, the Fund excludes companies that do not align with our values. The exclusions include:

- Companies involved in Gambling Production,
- Companies involved in the production of Adult Entertainment,
- Companies involved in the Tobacco production.

b) Exclusion of Critical controversies that are Non-Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e. not addressed by the management of the company.

c) Exclusion of the 15% worst ESG Scorings from the initial investment universe of the Fund. The ESG scoring is a proprietary scoring computed by doing the average of the 4 following factors:

- The E&S scoring (Environmental & Social)
- The G scoring (Governance)
- ESG sentiment scoring
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To analyse each company's ESG performance, the research team uses more than 30 metrics in the ESG framework, firstly focusing on ESG issues that have the most direct link to operations, industry by industry.

The Fund integrates ESG analysis of companies into its investment process, in order to monitor the ESG-related risks that companies face. This scoring is applied to at least 90% of the companies held in the Fund.

The scoring of the portfolio is compared to the scoring of the investment universe and should be above the average of the scoring of the investment universe.

## 2/ In house company ESG research

The primary screening and tracking of ESG topics for any company analysed comes from the Manager's proprietary ESG Scoring component. To go further and obtain the most precise and comprehensive understanding possible of a company's ESG profile, and position it in relation to its peers, the Manager uses, in addition to ESG data providers and controversies, the companies' annual reports, sustainability and audit reports, competitors' company reports, CDP reports, Science Base Target reports, and any other public initiatives in which the company participates, European Commission sector working groups, sustainability media and social media.

The goal is to have an as precise as possible understanding of a company's ESG profile (not only coming from the ESG data providers), and its position versus its closest peers.

This analysis requires identifying weak points for each risk factor identified in CIAM's proprietary Due Diligence questionnaire, finding the best performer by theme in each sector, and identifying significant business improvements against a market benchmark.

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the company, and possibly, if deemed necessary, to actively push the company towards what the manager considers to be a sustainable and positive transformation.

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All applicable (i.e. material) ESG criteria for each sector are listed, in order to make each criterion specific to each sector to enable targeted analysis and conclusions.

The objective is to identify and monitor the main material drivers that can stimulate the sustainable performance of a company as well as the associated risks. The process is designed to enable the Fund to engage in an ongoing dialogue with companies around ESG issues in order to identify and quantify their risks and value creation potential.

Companies with positive ESG characteristics have the best combination of systems, governance structures, cultures and human values that ensure consistent and growing returns for all stakeholders.

The Manager's research team analyses specific risk factors of companies related to ESG matters, materializing into company ESG research reports.

The Manager incorporates into its analysis the following ESG issues:

- Transparency - we review the reporting and question the transparency of companies we consider for investment. For instance, we examine whether they:
  - Issue a corporate responsibility report
  - Link management's remuneration to corporate responsibility factors, using clear, transparent and auditable KPIs.
- Corporate behaviour and leadership – we review the way each company integrates ESG issues in their value creation process. For example, we question its ability to:
  - Absorb systemic shocks and regulatory changes
  - Acknowledge and take into account the low-probability high-impact risks directly posed to the environment, to society, to its workforce etc.
  - Manage arising issues around product quality & safety
  - Adapt the business model to reach and create new markets.
- Environment – where relevant we review and question companies' views, business plans and commitments on:
  - Disclosure of on Carbon emissions (scope 1, 2 & 3)
  - Alignment with the objectives of the Paris Agreement and phasing out of services provided to unsustainable sectors
  - Setting clear evidence-based carbon reduction targets, clear governance and ownership of the issue
  - Board level of oversight of climate change transition and impact
  - Ability to meet the evolving environmental regulation
  - Etc.

- Human capital management factors – we believe value creation and purpose are intertwined with the promotion of:
  - Decent labour conditions – minimum wages, types of contracts, employees’ health and safety
  - Diversity and equality in the workforce, at all levels and specifically at top executive levels
  - Constructive and positive relationship with other stakeholders – employees, unions, customers, suppliers and the community at large.
  
- Human rights – we take into consideration the respect of human rights by companies. We do not hesitate to engage in a dialogue on this issue because we believe that it is a driver of progress and value. To this purpose, we encourage:
  - The inclusion of human rights within our sustainability policies;
  - Identification and prevention of human rights risks in the company's activities and value chain;
  - Transparency in the disclosure of data on the company's impact on human rights;
  - Implementation of due diligence processes;
  - Consideration of human rights by the highest level of management of the company;
  - Participation in collective engagement initiatives that promote human rights;
  - Participation to the UN Global Compact initiative;
  - Companies to provide remedies to affected people, where appropriate.
  
- Social capital – where relevant we review the company’s approach to:
  - Management of public harm risks around product security and its use of potentially harmful products
  - Employee incentives practices on products that may not be in the best interest of customers
  
- Corporate governance – we pay special attention to (among others)
  - Top management role separation
  - Board independence, skills and diversity
  - Executive compensation
  - Existence of poison pills
  - Related party transactions.

As a summary, the Manager research team performs the following:

- Define the key points according to the SASB Map,
- Identify weaknesses and strengths in relation to the themes,
- Search for information on these points in the company's public documents, as well as other sources of information,
- Study possible participation in seminars or working groups,
- Read the documents that may have been made available to third parties on the topic,
- Research the themes among the company's main competitors in order to establish a comparison,
- Find clear indicators of these changes in practical steps taken by the company,
- Wherever possible, list the actions to be taken in order to reduce the gap with the most advanced peers,
- Dialogue with the company on these matters.

All these findings and engagement points are formalized in a detailed company ESG research document.

### 3/ Active engagement with companies

The Manager, in line with its active & engaged commitment, engages with corporates over material Governance, Social and Environmental issues, and pushes them to improve in specific domains of concern, in a proprietary form of constructive engagement.

As the company comes back with answers, the team can gain a specific view on a sector and at the company-level. This enables the Manager to gain a better understanding of the main risks and the specific points that need additional investigation.

After an initial dialogue, the Manager can, if deemed necessary, try to influence the company towards what the Manager considers to be a sustainable and positive transformation (engagement for impact), going as far as going public with the matters of discussion, but only if the Manager sees not enough/further evolution coming from the company. Finally, the Manager may take legal actions.

### 4/ Voting engagement

Voting rights are exercised in order to vote in accordance with the defined voting policy and in the interests of shareholders. The Manager will exercise the voting rights in the AGMs of the companies where they are invested in shares with voting rights.

The Manager has chosen to vote on more than 90% of the positions in which it holds voting rights.

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

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

The Fund targets a range of sectors, and typical ESG friendly sectors are one of many sectors the Fund may invest in. But as previously mentioned, the Fund does not have as its objective or strategy to make sustainable investments.

As part of the promotion of ESG characteristics, the Fund has implemented a number of exclusions:

1/ Sectorial exclusions

2/ Exclusion of critical and non-communicative controversies (i.e., not addressed by the management)

3/ Exclusion of the ESG Scorings below 15/100 from the initial investment universe.

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

A minimum of 20% of the companies which would have been eligible for investment without the application of the ESG criteria, methodologies and ratings will be excluded.

### Good governance

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

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

In order to evaluate governance best practices, the Manager uses its own G scoring (included in the Manager's proprietary ESG scoring), which takes into account the following topics:

- Independence & Accountability: Director Independence, Independent leadership, Executive compensation (including ESG KPIs), Auditor independence, Board elections, shareholder rights & controls, anti-takeover provisions
- Board composition: Board tenure, board size, board diversity, outside board affiliations, board skills

Human resources are covered under the "S" scoring of the Manager's proprietary ESG Scoring (included in the E&S section), and includes Employee engagement (Employee compensation, Employee turnover, Training hours, ...), Diversity (Women employees, Women mobility gap, ...), and Safety (Injustice rate, Fatalities rate, Employee Health & Safety policy, ...).

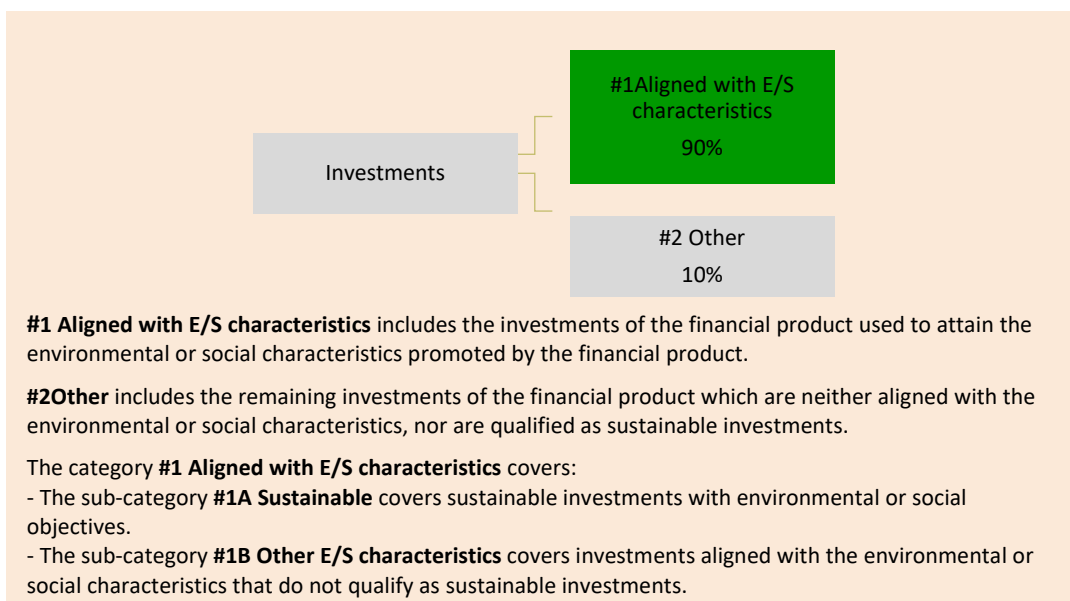
The Manager also incorporates these topics in its active engagements with companies, including in some cases with the board of directors, as well as in its votes to favor increased transparency, including by supporting other shareholders resolutions as well as by filing its own shareholders resolutions.

Last, portfolio companies are required to comply with applicable laws, rules and regulations in the markets in which they operate, including tax compliance.



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

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



Taxonomy-aligned activities are expressed as a share of:

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

#1 Aligned with E/S characteristics: at least 90% of the fund's investments have an ESG Scoring and are intended to achieve the environmental or social characteristics that it promotes, in accordance with the binding elements of the investment strategy.

“#2 Other” investments correspond to investments that are outside the scope of minimum limit of 90% integrating environmental and social characteristics and may correspond to listed shares for which the entire ESG analysis may not have been completed or derivatives and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective.

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

The Fund may use derivative financial instruments and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective.

The use of derivative instruments does not contribute to achieving the characteristics environmental and/or social aspects of the Fund.



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

N/A

The Fund does not undertake to make sustainable investments. Therefore, the Fund does not commit to minimum sustainable investments with an environmental objective aligned with the EU taxonomy.

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

- Yes:
- In fossil gas  In nuclear energy
- No

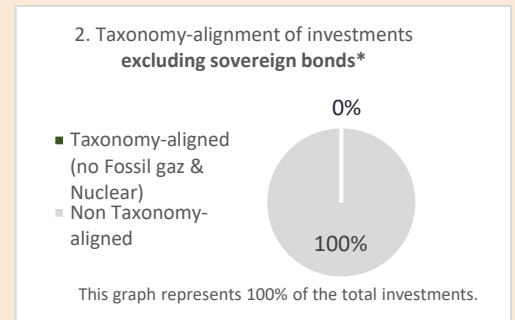
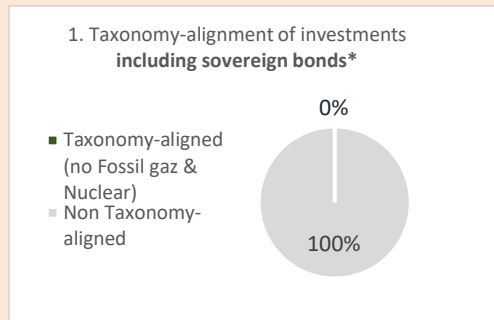
<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for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

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

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

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

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



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

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

N/A

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.

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

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

N/A

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.

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

N/A



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

The remaining part of the portfolio (i.e. outside the minimum proportion of 90%) corresponds to listed shares for which the entire ESG analysis may not have been completed or derivatives and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective. These investments may comply with certain of the ESG criteria but are systematically covered by ESG analysis.

No minimum environmental and social safeguards are applied for these investments.



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

Currently no index has been designated as a reference benchmark.

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

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
N/A
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
N/A
- *How does the designated index differ from a relevant broad market index?*  
N/A
- *Where can the methodology used for the calculation of the designated index be found?*  
N/A



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

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

<https://www.ci-am.com/documents/>

## SCHEDULE C: APPENDICES

### Appendix 1 General Investment Restrictions

The Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

- I. (1) The Company may invest in:
- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
  - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and open to the public;
  - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in Europe, Asia, Oceania (including Australia), the American continents and Africa or dealt in on another market in the countries referred to above which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
  - d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue;
  - e) units of UCITS and/or Other UCI, whether situated in an EU Member State or not, provided that:
    - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community 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, as amended;



- 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 constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- the underlying consists of instruments covered by this section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their 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 Company's initiative.

and/or

- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong;

- issued by an undertaking any securities of which are dealt in on Regulated Markets;
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as 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 ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company 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 (1) above.

II. The Company may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in currency accounts) up to 20% of its net assets for ancillary liquidity purposes in normal market conditions. Under exceptional market conditions and on a temporary basis, this limit may be increased up to 100% of its net assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such 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) f) above or 5% of its net assets in other cases.

b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body 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 III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,
  - deposits made with that body, or
  - exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 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 one issuer, the total value of such investments may not exceed 80% of the net asset value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial 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 Company 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 Company 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 of the EU, by its local authorities or agencies, or by another member state of the OECD, Singapore, Hong Kong or any member state of the Group of Twenty including the PRC or by public international bodies of which one or more Member States of the EU are members, provided 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 total net assets of such Sub-Fund.**
- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which 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 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. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-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;
- 10% of the Money Market Instruments of the same issuer.

The limits under the 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.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company 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 Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the Sub-Fund Particular in relation to a given Sub-Fund.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments 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 Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the 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 Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund itself and the other UCITS and/or Other UCIs concerned shall not exceed 1.5% of the relevant assets. The Company 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 Company may acquire no more than 25% of the units of the same UCITS and/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 issued by the UCITS/UCI concerned, all compartments combined.

VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "**Feeder Sub-Fund**") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "**Master UCITS**"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder Sub-Fund investment into the Master UCITS.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

VIII. A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "**Target Sub-Fund**") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- the Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund; and
- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and UCIs; and

- voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing 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 Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company 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 Investing Sub-Fund(s).

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

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

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

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 restriction.

- X.
- a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
  - b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.

- e) The Company may not acquire either precious metals or certificates representing them.
- XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III, IV. and VI. a), b) and c), while ensuring observance of the principle of risk spreading.

- XII. Use of techniques and instruments relating to transferable securities and money market instruments

Sub-Funds must comply with the requirements of ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 amending and/or supplementing the existing rules governing OTC derivative instruments, efficient portfolio management techniques and the management of collateral received in the context of such instruments and techniques.

A. General

The Company may employ the following techniques and instruments related to Transferable Securities and money market instruments provided that such techniques or instruments are considered by the Directors as economically appropriate to the efficient portfolio management of the Company in accordance with the investment objectives of each Sub-Fund, with respect to Article 9 of the Grand-Ducal decree of 8th February 2008, and in accordance with Circular CSSF 14/592 relating to the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues ("**CSSF Circular 14/592**").

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-fund specific text in this Prospectus. Such techniques and instruments may be used by any Sub- Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management



techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to in restriction III. above.

Unless otherwise foreseen below, all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary will be available in the annual report of the Fund.

#### B. Securities Lending Transaction

The Company may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the above-mentioned conditions:

- (i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- (ii) The Company may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction.
- (iii) The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.
- (iv) The Company does currently not enter into securities lending transactions. Should this change, this prospectus will be updated in order to include the relevant information foreseen by (EU) Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

#### C. Repurchase and reverse repurchase transactions

The Company may enter into repurchase agreements that consist of forward transactions at the maturity of which the Company (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Company may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase

the asset sold and the Company (buyer) the obligation to return the assets purchased under the transactions. The Company may also enter into transactions that consist in the purchase/sale of securities with a clause reserving for the counterparty/Company the right to repurchase the securities from the Company/counterparty at a price and term specified by the parties in their contractual arrangements.

The Company's involvement in such transactions is, however, subject to the additional following rules:

- (i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- (ii) The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (iii) The Company does currently not enter into repurchase and reverse repurchase transactions. Should this change, this prospectus will be updated in order to include the relevant information foreseen by (EU) Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

#### D. Contract for difference (CFD)<sup>3</sup>

If investments in CFDs are foreseen in the investment policy, a Sub-Fund will enter into eligible CFDs on a continuous basis in order to generate additional capital or income and/or for reducing costs or risks.

The maximum exposure to such CFDs amounts to 70% of a Sub-Fund's net asset value.

The following types of assets may be subject to CFDs: listed shares.

The revenues arising from CFDs are not subject to return sharing agreements. The costs attributed to CFDs held are included in the spread.

Due to the various counterparties, there is a potential risk of conflict of interests when the Company enters into CFDs. The Management Company has appropriate policies in place in order to deal with such potential conflict of interests (where relevant).

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<sup>3</sup> CFDs are mentioned in this section "Use of techniques and instruments relating to transferable securities and money market instruments" because they have similar characteristics than total return swaps. The Investment Manager therefore has taken the stance that CFDs should be subject to the same disclosure rules than to total return swaps.

The counterparties to CFDs will be first class institutions which are either credit institutions or investment firms, which are subject to prudential supervision considered by the CSSF as equivalent to those prescribed by community law. While there is no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties to such transactions will typically be organisations based in an OECD member state and will comply with Article 3 of the SFT Regulation. The counterparties will be selected from a list of authorized counterparties established by the Management Company, and whose short term and long-term ratings so rated by Standard & Poor's or Moody's or Fitch Ratings must not be lower than BBB. The list of authorised counterparties may be amended with the consent of the Management Company. The counterparty will not assume any discretion over the composition of the Sub-Fund's portfolio or over the underlying of the CFD.

It is expected that the sole counterparties of CFDs will be preferred brokers of the Sub-Fund.

### ***Management of collateral and collateral policy***

#### **General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

#### **Eligible collateral**

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It 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) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's net asset value to any single issuer on an

aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a member state of the OECD, Singapore, Hong Kong or any member state of the Group of Twenty including the PRC or a public international body to which one or more Member States belong. In such event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value;

- (e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty;
- (f) Where there is a title transfer, the collateral received shall be held by the Depositary in a registered account opened in the Depositary books for safekeeping or one of its Correspondents to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Cash collateral received shall only be:

- placed on deposit with entities prescribed in the 2010 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 Company 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 on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

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

#### *Level of collateral and haircut policy*

The Management Company will collect collateral in the form of variation margin for an amount as determined in accordance with in Regulation 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty ("**Regulation 2016/2251**").

In addition, the Management Company will apply the following haircuts to the market value of the collateral in compliance with the Regulation 2016/2251:

#### **Haircuts for long term credit quality assessments**

Credit quality step with which the credit assessment of the debt security is associated	Residual maturity	Haircuts for debt securities issued by entities described in Article 4 (1) (c) to (e) and (h) to (k) of Regulation 2016/2251, in (%)	Haircuts for debt securities issued by entities described in Article 4 (1) (f), (g), (l) to (n) of Regulation 2016/2251 in (%)
1	≤ 1 year	0,5	1
	> 1 ≤ 5 years	2	4
	> 5 years	4	8
2-3	≤ 1 year	1	2
	> 1 ≤ 5 years	3	6
	> 5 years	6	12
4 or below	≤ 1 year	15	N/A
	> 1 ≤ 5 years	15	N/A

	> 5 years	15	N/A
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**Haircuts for short term credit quality assessments**

Credit quality step with which the credit assessment of a short term debt security is associated	Haircuts for debt securities issued by entities described in Article 4(1) (c) and (j) of Regulation 2016/2251 in (%)	Haircuts for debt securities issued by entities described in Article 4(1) (m) of Regulation 2016/2251 in (%)
1	0,5	1
2-3 or below	1	2

1. Equities in main indices, bonds convertible to equities in main indices and gold shall have a haircut of 15%.
2. For eligible units in UCITS the haircut is the weighted average of the haircuts that would apply to the assets in which the fund is invested.
3. Cash variation margin shall be subject to a haircut of 0%.
4. For the purpose of exchanging variation margin, a haircut of 8% shall apply to all non-cash collaterals posted in a currency other than those agreed in an individual derivative contract, the relevant governing master netting agreement or the relevant credit support annex.