



LOMBARD ODIER
INVESTMENT MANAGERS

Lombard Odier Funds III

Prospectus

1 January 2023

Lombard Odier Funds III
is an investment company
with variable capital ("SICAV")
incorporated in Luxembourg

PROSPECTUS

Relating to the issue of shares of

Lombard Odier Funds III, in short LO Funds III (the "Company" or "LOF III").

The defined terms used in the prospectus shall have the meaning given to them in the Glossary.

Subscriptions are accepted on the basis of the current prospectus of the Company (the "Prospectus"), the relevant key information documents and of the latest audited annual or unaudited semi-annual accounts of the Company. These documents may be obtained free of charge at the registered office of the Company.

The Company reserves the right to reject, at its sole discretion, any subscription request for Shares and to accept any application in part only. The Company does not permit practices related to market timing and reserves the right to reject subscription and conversion orders from investors who the Company suspects of using such practices and to take the appropriate measures to protect other investors of the Company.

The Shares are offered on the basis of the information and representations contained in this Prospectus and shall only be held in accordance with the principles set forth in this Prospectus in order to ensure Company's compliance with certain legal and regulatory requirements. All other information given or representations made by any person must be regarded as unauthorized. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful, or in which the person making such an offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares have not been registered under the United States Securities Act of 1933 and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States Person. For this purpose, the term "United States Person" shall mean any citizen, national or resident of the United States of America, partnership organized or existing in any state, territory or possession of the United States of America, a corporation organized under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income. In addition, it should be noted that under the FATCA legislation, the direct or indirect holding, offering and/or selling of Shares may be forbidden to a wider range of investors than those falling within the United States Person definition mentioned above.

Subscribers for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange controls and applicable taxes in the countries of their respective citizenship, residence or domicile.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

Whilst using their best endeavors to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. It should be remembered that the price of Shares of any Sub-Fund may go down as well as up.

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.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain other jurisdictions. The above information is for general guidance only, and it is the responsibility of any persons in possession of this Prospectus and of any persons wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. If you have any doubts about the contents of this Prospectus you should consult your stockbroker, solicitor or other financial adviser.

Any material change to the Company's structure, organization or operations that requires an update of the Prospectus will be notified to the investors in the conditions set forth in CSSF Circular 14/591. According to such circular, the minimum notification period is one month. During this one-month period before the entry into force of the significant change, investors have the right to request, without any repurchase or redemption charge, the repurchase or redemption of their Shares. In addition to the possibility to redeem Shares free of charge, the Company may also (but is not obliged to) offer the option to investors to convert their Shares into shares in another UCI (or, in case the change affects only one Sub-Fund, into Shares in another Sub-Fund) without any conversion charges. However, derogations to these rules may be granted by the CSSF on a case by case basis.

To the extent permitted by local foreign laws, the English version of the Prospectus shall prevail in case of discrepancies with its translation into another language.

The date of this Prospectus is 1 January 2023.

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GLOSSARY AND DEFINITIONS

The terms used in the Prospectus have the meaning as defined in the Glossary.

1915 Law	Luxembourg Act of 10 August 1915 on commercial companies as amended from time to time
2010 Law	Luxembourg law of 17 December 2010 on undertakings for collective investment or any legislative replacements or amendment thereof as amended from time to time
2015 Law	Luxembourg law of 18 December 2015 relating to the automatic exchange of tax information
A Shares	Accumulation Shares
ABS	Asset-backed securities
ADRs	American Depository Receipts
Alternative Currency	Currency of a class of shares issued in a currency other than the Reference Currency. Currencies used as Alternative Currencies are EUR, USD, CHF, GBP, SEK, NOK, CAD, AUD and JPY
Articles	The articles of incorporation of the Company
AUD	Australian dollars
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
Board	The board of Directors of the Company
Bond Connect	Scheme launched for mutual access between the Hong Kong and mainland China bond markets through a cross-border platform
Business Day	Every day which is a full bank business day in Luxembourg (i.e. 24 December is not a full bank business day)
CAD	Canadian dollars
Cash and Cash Equivalents	<p>Cash, bank deposits, short-term deposits or other short-term instruments (including ABS/MBS) and money-market instruments issued by sovereign or corporate issuers, the residual maturity of which does not exceed 397 days. Bank deposits may be bank deposits at sight, such as cash held in current accounts with a bank accessible at any time (i.e., ancillary liquid assets) or bank deposits that meet the criteria of article 41(1) of the 2010 Law.</p> <p>Securities issued by UCIs investing in short-term instruments with the following features: at portfolio level, duration limited to 1 year, credit spread duration limited to 2 years, at the security level, legal final maturity of all bonds limited to 3 years, expected final maturity of non-amortizing securitized products (like ABS/MBS) limited to 3 years and weighted average life of amortizing securitized products (like ABS/MBS) limited to 1 year.</p> <p>Securities issued by money market UCIs subject to restrictions as set forth in paragraph 3.1 (ii).</p> <p>Alternatively, to holding securities issued by money market UCIs as part of their Cash and Cash Equivalents, all Sub-Funds may hold directly instruments of the same nature and in the same proportion as those comprising the portfolio of a given money market UCI, which may include fixed rate securities, the residual maturity of which does not exceed 397 days. FRNs that have frequent resets of the coupon, i.e. annually or more frequently, will be regarded as passive substitutes for short-term instruments, provided that their maximum residual maturity is of 762 days</p>
CDS	Credit default swap
Central Administration Agent	CACEIS Bank, Luxembourg Branch
CESR	Committee of European Securities Regulators (replaced by ESMA as of 1 January 2011)
CESR Guidelines 10-788	CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS dated 28 July 2010
CFD	Contract for difference
CHF	Swiss Franc

CIBM	China Interbank Bond Market – market which is part of an investment program implemented by PBOC allowing for direct investment in RMB securities and derivatives dealt on this market without the requirement of a license or quota
CLIC™	Lombard Odier group's designation of a sustainable economy based on a Circular, Lean, Inclusive and Clean model
CNH	Offshore renminbi ("CNH") as further detailed in the Risk Factors Annex
Coco Bonds	Contingent Convertible Bonds. Debt securities that have conversion or write-down features contingent upon pre-defined terms
CSDR	Regulation (EU) No 909/2014 on central securities depositories
Company	Lombard Odier Funds III
CSSF	Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority
Cut-off time	Deadline to submit subscription, redemption or conversion applications to the Company as set out in Annex A in relation to a given Sub-Fund
D Shares	Distribution Shares
Dealing Charge	Charges which may be levied discretionarily by the Company pursuant to paragraph 10.4 in relation to a given Sub-Fund in addition to the Issue and Redemption Prices in favour of the relevant Sub-Fund, in order to mitigate the effect of portfolio transactions costs resulting from subscriptions or redemptions
Depository	CACEIS Bank, Luxembourg Branch
Directors	The directors of the Company
Distribution Fee	The distribution fee payable to the Management Company as described in paragraph 10.5.1 at the rates set out in Annex A
EEA	European Economic Area
Eligible State	A member State of OECD and all other countries of Europe, the American Continents, Africa, Asia, the Pacific Basin and Oceania
Emerging Markets	Markets or countries with a low to middle per capita income or, at the discretion of the Management Company, any country or market that is a component in an emerging market index of a major index provider. Examples of emerging markets include Indonesia, some countries of Latin America, some countries in Southeast Asia, most countries in Eastern Europe, Russia, some countries in the Middle East, and parts of Africa. Investors may obtain, free of charge, from the Company, on written request sent to its registered office, an updated list of Emerging Markets
EMU	European Monetary Union
EPM	Efficient portfolio management
Equity Fund	As defined under paragraph 21.1
ESG or ESG Factors	<p>Environmental, social and governance characteristics or factors that can be further described as follows:</p> <p>“Environmental” can include issues relating to the quality and functioning of the natural environment and natural systems. These can include without limitation: biodiversity loss; greenhouse gas emissions, deforestation, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use and ocean acidification.</p> <p>“Social” can include issues relating to the rights, well-being and interests of people and communities. These can include without limitation: human rights, labour standards in the supply chain, child and slave labour, workplace health and safety, freedom of association and freedom of expression; diversity; relations with local communities, health and access to medicine, consumer protection, and controversial weapons.</p> <p>“Governance” can include issues relating to the governance of companies. These can include without limitation: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management.</p>

ESMA	European Securities and Markets Authority
EU	European Union
EUR	The euro currency
Euro-CRS Directive	Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation
FATCA	<p>The Foreign Account Tax Compliance provisions contained in the Hiring Incentives to Restore Employment Act signed into US law in March 2010; FATCA is construed as:</p> <p>(i) sections 1471 through 1474 of the US Internal Revenue Code and any successor provisions, associated legislation, regulations and guidance, and similar legislation, regulations and guidance enacted to implement similar tax reporting or withholding tax regimes;</p> <p>(ii) any intergovernmental agreement, treaty, legislation, regulation, guidance and other agreement entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described under (i);</p> <p>any legislation, regulations or guidance issued by an applicable governmental entity that gives effect to the matters described under paragraphs (i) and (ii)</p>
Feeder	A feeder UCITS as defined under paragraph 4.2 (g)
FFI	Foreign financial institution(s) under FATCA
FRN	Floating-rate note
FSB Task Force on Climate-related Disclosures	Task force on climate-related financial disclosures created by the Financial Stability Board to improve and increase reporting of climate-related financial information
G20	Group of Twenty established in September 1999
GBP	British Pound Sterling
GDPR	Regulation (EU) n°2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data
GITA	German Investment Tax Act passed by the Federal Council of Germany, as amended from time to time
Global Exposure	Measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments (including embedded derivatives) or the market risk of a Sub-Fund's portfolio
IML	Institut Monétaire Luxembourgeois (replaced by CSSF)
Initial Charge	The initial charge described in paragraph 10.1
Institutional Investors	Institutional investors within the meaning of article 174 (2) c) of the 2010 Law
Investment Managers	The investment managers listed in paragraph 6.3 appointed by the Management Company, with the agreement of the Board, to provide day-to-day discretionary investment management services for the Sub-Funds
IRS	Interest rate swap
Issue Price	The price at which Shares shall be issued, such price being the Net Asset Value per Share for the relevant Sub-Fund, subject to, as the case being, any Swing Pricing adjustment or a Dealing Charge and increased by the Initial Charge
ITR	The "implied temperature rise" as further detailed in Schedule II of the SFDR Annex
JPY	Japanese yen
LOIM	Lombard Odier Investment Managers, the asset management division of the Lombard Odier Group

Lombard Odier ESG/CAR Industrial Materiality Rating Methodology or LO Rating Methodology	The Lombard Odier Investment Managers proprietary 'Consciousness', 'Actions' and 'Results' industrial materiality rating methodology, also known as the "LO Rating Methodology", described in Schedule I of the SFDR Annex
Management Fee	The management fee payable to the Management Company as described in paragraph 10.5.1 at the rates set out in Annex A
Master	A master UCITS as defined under paragraph 4.2 (g)
MBS	Mortgage-backed securities
Member State	A member State of the European Union as well as any States referred to in the term "Member State" defined in article 1 of the 2010 Law
MiFID II	The corpus of rules formed by (i) the Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments, the Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments, (ii) any binding guidelines or other delegated acts and regulations issued from time to time by the EU relevant authorities pursuant to the Directive 2014/65/EU and the Regulation No 600/2014 and, (iii) as the context may require, any applicable domestic law, regulation and administrative practice or ruling deriving from texts or acts under items (i) and (ii)
Mixed Fund	As defined under paragraph 21.1
NAV	Net asset value
Net Asset Value	Total assets of the relevant Sub-Fund less its liabilities
Net Asset Value per Share	Total net assets of the relevant Sub-Fund, being the market value of its assets less its liabilities, divided by the number of Shares of the relevant Sub-Fund
NOK	Norwegian Krone
OECD	Organization for Economic Cooperation and Development
Official Listing	Official listing on a stock exchange in an Eligible State
OTC	Over-the-counter
Payment Date	Date on which the payment of the Issue Price shall be made in full for value or on which payment of the Redemption Price will ordinarily be made, as set out in Annex A
PBOC	People's Bank of China
Performance Fee	The performance fee payable to the Management Company as described in paragraph 10.5.2 at the rates set out in Annex A (if any)
Prospectus	The current prospectus of the Company
Redemption Price	The price at which Shares shall be redeemed, such price being The Net Asset Value per Share for the relevant Sub-Fund, subject to, as the case being, any Swing Pricing adjustment or a Dealing Charge
Reference Currency	Currency in which shares of the Sub-Fund are issued
Regulated Market	Regulated market, other than Official Listing, which operates regularly and is recognized and open to the public in an Eligible State
RESA	<i>Recueil Electronique des Sociétés et Associations</i> , the Luxembourg official electronic platform of central publication regarding companies and associations, which has replaced the <i>Mémorial C, Recueil des Sociétés et Associations</i>
Risk Factors Annex	The list of risk factors set out in Annex B
SCmA	Compagnie Lombard Odier SCmA
SEK	Swedish krona
SFIs	Structured financial instruments

SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector
SFDR Annex	The Annex C of this Prospectus in which the sustainability disclosures required by SFDR in relation to each Sub-Fund are set out
SFDR RTS 2022/1288	Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing SFDR with regard to the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
Shares	Shares of the Company
Sub-Funds	The sub-funds of the Company, each corresponding to a distinct part of the assets and liabilities of the Company
Sustainable Development Goals	A sustainable development initiative under the United Nations that has been adopted by a range of world governments. The goals are defined around various criteria focusing on the development that meet present needs and without compromising the needs of future generations
Swing Factor	Percentage applied to the Issue Price or the Redemption price according to the Swing Pricing as described in paragraph 15.1
Swing Pricing	Mechanism described in paragraph 15.1
T-Bills	Treasury Bills
Target Sub-Fund	A Sub-Fund whose Shares are subscribed, acquired and/or held by another Sub-Fund
Taxonomy Regulation	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
TRS	Total return swap
UCIs	Undertakings for collective investment, including UCITS
UCITS	Undertakings for collective investment in transferable securities
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time
UCITS Rules	The corpus of rules formed by (a) the UCITS Directive, (b) the Commission Delegated Regulation (EU) 2016/438, and (c) any national laws and regulations which are taken in relation to (or transposing either of) the foregoing, including the 2010 Law
UN SDGs	United Nation's sustainable development goals
U.S. Person	Any citizen, national or resident of the United States of America, partnership organized or existing in any state, territory or possession of the United States of America, a corporation organized under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income
US	United States
USD	Dollars of the United States of America
Valuation Day	The relevant Business Day (daily or weekly) where the Sub-Funds are priced and Shares are issued and/or may be redeemed and converted and which is also a bank business day in the principal market or stock exchange on which a material part of a Sub-Fund's investments for the time being are quoted as set out in Annex A
Valuation Regulations	Valuation regulations and guidelines adopted by the Directors and as from time to time modified by them
VaR	Value at Risk

1. LIST OF PARTIES AND ADDRESSES

The Company

Lombard Odier Funds III, in short LO Funds III

Registered Office

291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

Board of Directors

Chair of the Board

Denise Voss

Directors

Jacques Elvinger

Yvar Mentha

Alexandre Meyer

Jan Straatman

Alexandre Meyer is an employee of the Lombard Odier Group.

Yvar Mentha and Jan Straatman are former employees of the Lombard Odier Group.

Jacques Elvinger and Denise Voss are independent directors.

Management Company and Domiciliary Agent

Lombard Odier Funds (Europe) S.A.

291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

Email address: luxembourg-funds@lombardodier.com

Directors of the Management Company

Alexandre Meyer

Julien Desmeules

Mark Edmonds

Alexandre Meyer, Julien Desmeules and Mark Edmonds are employees of the Lombard Odier Group.

Dirigeants of the Management Company

Mariusz Baranowski

Mark Edmonds

Ingrid Robert

Hema Jewootah

Sacha Reverdiau

Cédric Intesse

Mariusz Baranowski, Mark Edmonds, Ingrid Robert, Hema Jewootah, Sacha Reverdiau and Cédric Intesse are employees of the Lombard Odier Group.

Investment Managers

Lombard Odier Asset Management (Europe) Limited
Queensberry House, 3 Old Burlington Street, London W1S 3AB, United Kingdom

Lombard Odier Asset Management (Switzerland) SA
6, avenue des Morgines, 1213 Petit-Lancy, Switzerland

Lombard Odier Funds (Europe) S.A. - Dutch Branch
Parklaan 26, 3016 BC Rotterdam, Netherlands

Lombard Odier (Hong Kong) Limited
1601 Three Exchange Square, 8 Connaught Place, Central, Hong Kong

Lombard Odier (Singapore) Ltd.
9 Raffles Place - #46-02 Republic Plaza, Singapore 048619

Global Distributor

Lombard Odier Funds (Europe) S.A.
291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

Distributor(s)

Any other financial intermediary that may be appointed for the marketing and sale of the Shares as defined under Section 11 of the Prospectus.

Depositary, Central Administration Agent and Registrar, Transfer Agent, Paying Agent and Listing Agent

CACEIS Bank, Luxembourg Branch
5, allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg

Independent Auditor

PricewaterhouseCoopers, société coopérative
Réviseur d'entreprises
2, rue Gerhard Mercator, BP 1443, 1014 Luxembourg, Grand Duchy of Luxembourg

Legal Adviser

In Luxembourg

Elvinger Hoss Prussen, société anonyme
2, place Winston Churchill, 1340 Luxembourg, Grand Duchy of Luxembourg

Foreign Representatives

In Switzerland

Representative

Lombard Odier Asset Management (Switzerland) SA
6, avenue des Morgines, 1213 Petit-Lancy, Switzerland

Paying Agent

Bank Lombard Odier & Co Ltd
11, rue de la Corraterie, 1204 Geneva, Switzerland

2. LEGAL FORM

2.1 The Company

The Company was initially set-up as a société d'investissement à capital variable - fonds d'investissement spécialisé incorporated on 25 June 2009 as a standalone SICAV. Further to an extraordinary general meeting held on 18 June 2010, the Company was transformed in a "société d'investissement à capital variable" under the 1915 Law and qualifies under Part I of the 2010 Law as a UCITS and complies with the requirements of the UCITS Directive. Its name was changed from Lombard Odier Recovery Convertible Bond Fund into Lombard Odier Funds III. The Articles were last amended on 17 May 2019 and have been published in the RESA n° RESA_2019_130 of 05 June 2019. The minimum share capital of the Company is the equivalent of EUR 1,250,000.

The Company is registered under number B-146.947 in the Luxembourg Trade and Companies Register. Its Articles are available for inspection there and a copy thereof may be obtained upon request against payment of a fee as determined by the Luxembourg Trade and Companies Register or free of charge at the registered office of the Company. Its principal and registered office is at 291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg.

The Directors are listed in Section 1.

There are no provisions in the Articles expressly governing the remuneration (including pension or other benefits) of the Directors. The Directors shall be reimbursed for their out-of-pocket expenses and their remuneration shall be approved by the shareholders of the Company in a General Meeting. Directors affiliated to the Lombard Odier Group of Companies are not entitled to a fee for their services.

The capital of the Company is represented by Shares of no par value of different classes which relate to Sub-Funds and shall at any time be equal to the total net assets of the Company.

The liabilities of each Sub-Fund shall be segregated on a Sub-Fund by Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned.

2.2 The Shares

Shares of the Company have no par value and have like rights and privileges. Each Share shall carry the right to participate in the profits and the results of the relevant Sub-Fund's operations. The Shares shall have no preferential, pre-emption, conversion or exchange rights. There are no, nor is it intended that there will be any, outstanding options or special rights relating to any Shares. Each whole Share entitles the holder thereof at all general meetings of shareholders and at all special meetings of the relevant Sub-Fund or class of Shares to one vote which may be cast in person or by appointing another as his/her/its proxy or by means of voting forms. To the extent permitted by law, the Board may suspend the right to vote of any shareholder which does not fulfil its obligations under the Articles or any document stating its obligations towards the Company and/or the other shareholders.

The Shares are freely transferable, except that the Board may, according to the Articles and as further detailed in Section 12 below, restrict the direct or indirect holding of Shares or the ownership of Shares by certain persons, firms or corporate body or make proposals regarding existing shareholder holdings in order to comply with legal or regulatory requirements.

The Articles permit to create within each Sub-Fund different classes of Shares. Classes of Shares may differ with regard to their dividend policy, investor eligibility criteria, fee structure or other specific features.

The Company issues Shares in registered form. If and to the extent permitted by law, and in particular under the conditions provided for in the Luxembourg law of 6 April 2013 relating to dematerialised securities (the "2013 Law"), the Board may at its discretion decide to issue, in addition to Shares in registered form, Shares in dematerialised form.

At present, the Board has decided that the following classes of Shares may be issued:

- eight classes of Shares ("J Shares", "I Shares", "P Shares", "R Shares", "S Shares", "M Shares", "N Shares" and "E Shares") that differ mainly in terms of fees, type of investor, minimum initial investment and holding amount and Sub-Funds into which they are issued (see Annex A).

At the time of this Prospectus, Shares may be issued:

- in the form of accumulating Shares or distributing Shares. Their respective dividend policy is described in Section 5. Accumulation Shares are identifiable by a "A" following the Sub-Fund, and Distribution Shares are identifiable by a "D" following the Sub-Fund;
- in registered form only;
- in Alternative Currencies; and
- with different currency hedging policy.

The following table shows the main features of the different classes of Shares that may be available for a Sub-Fund.

	Type of investor ¹
J Shares	Institutional Investors
I Shares	All investors
P Shares	All investors
R Shares	All investors
S Shares	Institutional Investors ²
M Shares	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion
N Shares	(i) Institutional Investors (ii) financial intermediaries who provide discretionary portfolio management or independent advisory services (iii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iv) other investors determined by the Board or the Management Company in their discretion
E Shares	Dedicated to entities of LOIM and their respective employees under certain conditions ³

	J Shares	I Shares	P Shares	R Shares	S Shares	M Shares	N Shares	E Shares
Minimum Initial Investment and Minimum Holding Amount	As indicated in Annex A	Equivalent of CHF 1 million ⁴ or otherwise indicated in Annex A	As indicated in Annex A	As indicated in Annex A	t.b.d. ⁵	As indicated in Annex A	As indicated in Annex A	None
Minimum Subsequent Subscription Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee	Yes	Yes	Yes	Yes	No ⁶	Yes	Yes	No ⁶
Distribution Fee⁷	No	No	Yes	Yes	No	No	No	No
Dividend policy⁸	A or D	A or D	A or D	A or D	A or D	A or D	A or D	A or D
Alternative Currencies⁹	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY	EUR/USD/ CHF/GBP/ SEK/NOK/ CAD/AUD/ JPY
Currency hedging policy¹⁰	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging
"Connect" Share class¹¹	No	Yes	Yes	Yes	No	Yes	Yes	No

- ¹ The Board may waive the eligibility criteria in relation to any given class of Shares.
- ² Class S Shares are intended for Institutional Investors who have concluded a specific remuneration agreement in respect of their investment in class S Shares of a Sub-Fund with the Company, the Management Company or any other entity of the Lombard Odier Group. Invoices issued by the Management Company will be paid directly by such institutional investor.
- ³ Class E Shares is dedicated to the entities of LOIM and their respective employees investing a portion of their variable remuneration, or a deferred portion thereof, into Shares pursuant to new regulations dealing with the remuneration of asset management firms.
- ⁴ For the I class of Shares the minimum initial investment and minimum holding amount in the Sub-Fund concerned is of at least CHF 1 million or equivalent in the respective Reference Currency of each Sub-Fund. Investors who hold a stake of at least CHF 10 million or the equivalent in another currency in the Company or in others collective investment vehicles of the Lombard Odier Group can also invest in the I Shares class. The Board may waive these minimum initial investment and minimum holding requirements.
- ⁵ The minimum initial investment and minimum holding amount will be indicated in the specific remuneration agreement entered into with the Company, the Management Company or any other entity of the Lombard Odier Group.
- ⁶ No Management Fee is levied on the S or E Shares of each Sub-Fund.
- ⁷ See Annex A
- ⁸ For certain Sub-Funds there may be classes of Shares with one annual dividend only and/or classes of Shares with one or more interim dividends and/or different dividend policies as further detailed in Section 5. Classes of Shares with a specific dividend policy are designated with a "D" followed by a figure (i.e., D1, D2, D3 and so on).
- ⁹ All Sub-Funds, may issue classes of Shares in any Alternative Currency. Currencies used as Alternative Currencies are EUR, USD, CHF, GBP, SEK, NOK, CAD, AUD and JPY. Costs related to the currency conversion, if any, of subscription or redemption amounts from or into the Reference Currency, will be borne by each class of Shares issued in an Alternative Currency.
- ¹⁰ All Sub-Funds, may issue classes of Shares in the Reference Currency or in an Alternative Currency with a different currency hedging policy. Fees related to the currency hedging policy, if any, will be borne by the relevant class of Shares issued in an Alternative Currency. When a currency hedging policy is applied at a Share class level, the amount of the hedging shall be between 95% and 105% of the total net assets of the Share class in Alternative Currency. Changes in the market value of the Sub-Fund's portfolio, as well as subscriptions and redemptions of Share classes in Alternative Currency, can result in the hedging temporarily deviating from the aforementioned range. Necessary steps will be taken to bring the hedging back within the aforementioned limits.
- ¹¹ Upon Board's decision, a "Connect" Share class may be created. This Share class is offered to certain investors, including but not limited to financial intermediaries such as distributors, who have invested a certain amount or provide or commit to provide a certain amount of subscriptions into a Sub-Fund. The characteristics attributable to such Share class are determined on a case-by-case basis by the Board having due regard to applicable laws and regulations, including the principle of equal treatment of shareholders. A "Connect" Share class is designated with a "X" and successive X Share classes in a given Sub-Fund are numbered X1, X2, X3...

S Shares will be available as and when decided by the Board (or any delegate).

For certain Sub-Funds, the Board may decide to create a class of Shares where shareholders may elect to subscribe in Shares with a standard management fee or in Shares with a lower management fee but with a performance fee. Management fee and performance fee for such additional class of Shares, if any, will be mentioned in Annex A.

For certain Sub-Funds, the Board may decide to create (i) classes of Shares which may be subscribed and/or redeemed on a weekly basis (weekly Shares) and/or (ii) classes of Shares which may be subscribed and/or redeemed on a daily basis (daily Shares).

The list of Sub-Funds, with different classes of Shares or with a class of Shares available with a lower management fee but with a performance fee (if any), is disclosed in the annual and semi-annual reports and can be obtained at the registered office of the Company. These classes of Shares may be listed on the Luxembourg Stock Exchange at the discretion of the Board.

3. INVESTMENT OBJECTIVES AND POLICIES

3.1 General Provisions Common to all Sub-Funds

The Company aims to provide investors with the opportunity of participating in a wide selection of financial markets through a range of actively managed Sub-Funds of asset allocation, international equity, fixed-income and money market portfolios.

The investment policies of the Company are determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

The list of Sub-Funds currently offered for subscription with the description of the investment policies and main characteristics can be found in Annex A.

Whilst keeping the principle of risk diversification, the Sub-Funds invest in assets which comply with the description of the Sub-Fund unless otherwise mentioned in Annex A in relation to a given Sub-Fund. Subject to lower or higher limits in the investment policy the Sub Funds may invest up to 10% of its portfolio in securities other than described in the Sub Funds policy. For the purposes of computing the investment ratios mentioned in a particular Sub-Fund's description, Cash and Cash Equivalents held on a temporary basis will not be taken into account if the ratio refers to the Sub-Fund's portfolio and will be taken into account if the ratio refers to the Sub-Fund's assets or net assets.

Unless otherwise mentioned in a particular Sub-Fund's description and always subject to the limits permitted by the Investment Restrictions described in Section 4, the following principles will apply to the Sub-Funds:

(i) Cash and Cash Equivalents

Subject to lower or higher limits and in accordance with the applicable diversification rules, the Sub-Funds may hold on a temporary and ancillary basis up to 49%, in accordance with the Law, of their net assets in Cash and Cash Equivalents. Such limit will not apply under extraordinary market conditions and is subject to liquidity considerations. In particular, a Sub-Fund may hold its net assets in Cash and Cash Equivalents in excess of the above-mentioned limit pending investment upon receipt of subscription monies, pending redemptions in order to maintain liquidity, for EPM or for short-term defensive purposes when the Investment Manager believes it is in the best interest of the shareholders to do so. During these periods, a Sub-Fund may not achieve its investment objective and policy. Bank deposits which qualify as ancillary liquid assets in accordance with section 4.3 of the Prospectus are in principle limited to 20% of the Sub-Fund's net assets and can only be used in the circumstances foreseen in section 4.3 of the Prospectus.

The Company will regard FRNs that have frequent resets of the coupon, i.e. annually or more frequently, as passive substitutes for short-term instruments, provided that their maximum residual maturity is of 762 days.

(ii) UCIs

Subject to lower or higher limits set out in the Sub-Funds' investment objective and policy in Annex A in relation to a given Sub-Fund or unless units of eligible UCIs is part of the investment objective and policy of a Sub-Fund, the Sub-Funds may hold up to 10% of their net assets in eligible UCIs. Investment in UCIs may also be used by the Sub-Funds to manage their cash position.

The UCIs may have different investment strategies or restrictions than those applied to the Sub-Funds.

The securities issued by collective investment vehicles with at least 50% of their net assets, according to their investment policy, invested in a particular class of assets will themselves be treated as securities of such class of assets for the purposes of the investment policy set out in this Prospectus (example: collective investment vehicles with at least 50% of their net assets, according to their investment policy, invested in shares and other securities equivalent to shares will be treated as equity securities). Where a collective investment vehicle is structured as an umbrella and the Company holds securities belonging to one or more Sub-Funds of such collective investment vehicle, the same principle shall apply mutatis mutandis to the securities of each Sub-Fund.

Alternatively to holding securities issued by money market UCIs as part of their Cash and Cash Equivalents, the Sub-Funds may hold directly instruments of the same nature and in the same proportion as those comprising the portfolio of a given money market UCI, which may include fixed rate securities, the residual maturity of which does not exceed 397 days.

(iii) Financial derivative instruments

The Management Company and the Investment Managers may use all categories of financial derivative instruments authorized by Luxembourg law or by Circulars issued by the CSSF and in particular the categories mentioned in paragraph 4.1 (vii).

Financial derivative instruments may be used for one of the following strategies: for hedging purposes, for EPM or as part of the investment strategy of a Sub-Fund. A description of those strategies is mentioned in paragraph 4.1 (vii). When financial derivative instruments are not used for hedging purposes nor for EPM, they may be used as part of the investment strategy. However, this has to be mentioned in the description of the Sub-Funds concerned (Annex A) and is always subject to the limits permitted by the Investment Restrictions. The use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure (i.e., the total exposure on derivatives, portfolio and other assets) of a Sub-Fund and the volatility of its Net Asset Value. The assessment of the global exposure of a Sub-Fund associated with derivative instruments is described in paragraph 4.2.

If a Sub-Fund's description states that it has a low exposure to commodities via derivatives on commodity indices, the exposure will be below 49% of the Sub-Fund's net assets. Reference to a high exposure means that the Sub-Fund has an exposure above 49% of the Sub-Fund's net assets.

The leverage effect of investments in some financial instruments and the volatility of the prices of options, futures and other derivative contracts would normally make the risk attached to investment in the Shares of the Sub-Funds higher than is the case with conventional investment policies. Additional risks associated with the use of financial derivative instruments are described in the Risk Factors Annex.

(iv) Techniques and instruments relating to transferable securities and money market instruments

These techniques and instruments include, but are not limited to, repurchase agreements and securities lending.

None of these techniques are used by any Sub-Fund at the date of this Prospectus.

(v) SFIs

Subject to lower or higher limits set out in the Sub-Funds' investment objective and policy or unless the use of SFIs is part of the investment objective and policy of a Sub-Fund, the Sub-Funds may hold up to 10% of their net assets in SFIs, which are eligible transferable securities (as specified in Section 4), organized solely for the purposes of restructuring the investment characteristics of certain other investments (the "underlying investments") and issued by first class financial institutions (the "Financial institutions"). The Financial institutions issue transferable securities (the SFIs) backed by or representing interests in the underlying investments.

The Sub-Funds may invest in SFIs such as, but not limited to, equity-linked securities, participatory notes, capital protected notes, and structured notes, including securities/notes that are issued by companies advised by the Management Company or any entity of its group. When the SFI embeds a derivative instrument, the embedded derivative must be taken into account when applying the restrictions mentioned in paragraph 4.2 (j).

Sub-Funds investing in convertible bonds, often use SFIs as a substitute to convertible bonds to achieve the same market exposure.

SFIs are subject to the risks associated with the underlying investments. Investments in SFIs may entail the risk of loss of principal and/or interest payment as a result of movements in the underlying investments. As such underlying investments may combine financial derivative instruments, SFIs may be subject to greater volatility than direct investments in fixed income and equity securities. In addition, investments in SFIs will expose the Sub-Funds to the credit risk of the counterparty issuing the SFI. In the event of a bankruptcy or insolvency of such counterparty or when the financial institutions issuing such SFIs are facing difficult market conditions, the Sub-Funds may experience delays in liquidating the positions and significant losses as a result of declines in value of the SFIs. The SFIs also entail liquidity risk, as they may not be as liquid as their underlying assets, depending on the market conditions.

(vi) Currencies

Shares of each Sub-Fund will be issued either in the Reference Currency or in an Alternative Currency as indicated in Annex A in relation to a given Sub-Fund. The Reference Currency of a Sub-Fund is always mentioned in Annex A in relation to a given Sub-Fund and sometimes between brackets in its name. Sub-Funds may invest in securities denominated in other currencies than their Reference Currency, even when the Reference Currency is mentioned between brackets in their name.

When a currency is mentioned in the name of a Sub-Fund, but not between brackets, at least two-thirds (2/3rds) of the Sub-Fund's portfolio will be invested in securities denominated in that currency.

(vii) Emerging Markets

Subject to lower or higher limits set out in the investment policy in Annex A in relation to a given Sub-Fund, the Sub-Funds whose investment objective and policy give discretion to the Investment Manager with regard to the selection of markets (including Emerging Markets) or currencies, may hold up to 49% of their net assets in securities issued in Emerging Markets and/or Emerging Markets currencies (including CNH).

When such limit is exceeded following the reclassification of a market previously regarded as "non-emerging", the Investment Manager will have discretion as to whether measures should be taken having regard to the best interest of the shareholders.

The attention of investors is drawn to the Risk Factors Annex which sets out the risks associated with the investments in Emerging Markets.

(viii) Risks associated with investments in the Sub-Funds

All Sub-Funds are directly or indirectly exposed to various forms of investment risks through the financial instruments in which they invest. The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Funds. Some risks concern all Sub-Funds (see section "General" of the Risk Factors Annex) whereas others are Sub-Fund specific (see section "Risks Linked to Certain Sub-Funds" of the Risk Factors Annex).

(ix) **Profile of the typical investor**

The Sub-Funds may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment; and
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares. Please refer also to Annex A.

An investment in a Sub-Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. The Sub-Funds are not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-Funds. An investment in a Sub-Fund is intended to be a long-term investment. The Sub-Funds should not be used as trading vehicle.

Whilst using their best endeavors to attain the Company's objectives, the Directors cannot guarantee the extent to which the investment objectives will be achieved.

(x) **Benchmark Regulation**

Under the Benchmark Regulation, benchmark administrators shall apply for authorisation or registration by 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators and benchmarks maintained by ESMA pursuant to article 36 of the Benchmark Regulation. Currently, administrators of the benchmarks mentioned in this Prospectus are not yet authorized or registered pursuant to the Benchmark Regulation and benefit from transitional provisions up to 31 December 2019. Once the relevant benchmark administrator or the benchmark used by a Sub-Fund appears on ESMA's register of administrators and benchmarks, the Company will update this Prospectus at the next occasion. Annex A indicates whether the Benchmark Regulation is relevant to a Sub-Fund.

The Management Company maintains a written plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided in accordance with article 28 of the Benchmark Regulation. The content of such plan can be provided free of charge upon request at the registered office of the Company.

(xi) **SFDR**

Article 3 – Transparency of sustainability risk policies

The Management Company considers principal adverse impacts of investment decisions on sustainability factors and has published a statement on due diligence policies with respect to those impacts on www.loim.com.

Article 4 – Transparency of adverse sustainability impacts at entity level

Information on the Management Company's policies on the integration of sustainability risks in the investment decision-making process is published on www.loim.com. The Management Company considers principal adverse impacts of investment decisions on sustainability factors and has published a statement on due diligence policies with respect to those impacts on www.loim.com.

Article 6 – Transparency of the integration of sustainability risks

(a) The manner in which sustainability risks are integrated into investment decisions - information concerning the manner in which sustainability risks are integrated into the investment processes of Investment Managers for each Sub-Fund is integrated within the information provided in the SFDR Annex.

(b) Results of the assessment of the likely impacts of sustainability risks on returns

The likely impacts of sustainability risks are difficult to quantify. The Investment Managers believe that the environmental, social and governance and wider sustainability practices of a company/issuer are inherently linked to its long-term success and that those companies/issuers with ESG/sustainability aligned business practices and operations are more likely to succeed and create long-term value. There can be no guarantee, however, regarding the performance of individual companies/issuers within the portfolios of Sub-Funds nor on the returns of each of the Sub-Fund as a whole.

Article 7 – Transparency of adverse sustainability impacts at financial product level

To the extent a Sub-Fund considers principal adverse impacts on sustainability factors, an explanation of how they are considered can be found in the SFDR Annex.

Article 8 – Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures

For Sub-Funds promoting environmental or social characteristics, transparency on how those characteristics are met as well as additional information required by the SFDR RTS 2022/1288 can be found in the SFDR Annex.

Article 9 – Transparency of sustainable investments in pre-contractual disclosures

At the date of this Prospectus, no Sub-Fund has been classified by the Management Company as a financial product subject to Article 9 of SFDR.

Article 10 – Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

For Sub-Funds subject to Article 8 of SFDR as described above, information concerning the following matters can be found at www.loim.com:

- (a) a description of the environmental or social characteristics;
- (b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product;
- (c) the information referred to in Articles 8 of SFDR;
- (d) information referred to in Article 11 of SFDR (transparency of the promotion of environmental or social characteristics in periodic reports).

(xii) CSDR cash penalty management

CSDR has been designed amongst other things to prevent and address settlement fails and to encourage settlement discipline, by monitoring settlement fails and collecting and distributing cash penalties in case of failed trades. To this effect, the Management Company has put in place an operational framework for the management of cash penalties receivable (“Positive Penalties”) and cash penalties payable (“Negative Penalties”) pursuant to the CSDR regime in respect of transactions undertaken for the account of the relevant Sub-Funds. Under this framework, Positive Penalties and Negative Penalties are netted off against one another and the balance less any debit interest or including any negative credit interest is either credited to the relevant Sub-Funds (in the case that Positive Penalties exceed Negative Penalties over the relevant period, also defined as “Positive Balance”) or debited from the relevant Sub-Funds (in the case that Negative Penalties exceed Positive Penalties over the relevant period, also defined as “Negative Balance”). The Management Company will reimburse any Negative Balance to the relevant Sub-Fund(s) and reserves its rights to ask the respective Investment Manager(s) to cover for Negative Penalties and/or reclaim Negative Penalties directly from the party at fault (in which case, the amounts successfully reclaimed shall be included in the calculation of the Positive or Negative Balance). The period over which (i) Positive Penalties and Negative Penalties are netted off against one another, and (ii) the resulting Positive and Negative Balances are credited to, respectively debited from the relevant Sub-Fund(s), shall be determined at the discretion of the Management Company.

3.2 Investment-Grade Rating and Lower Grade Securities

According to generally accepted rating principles in the financial services industry, investments in debt securities are classified in two broad categories:

- Investment-grade securities with ratings by Fitch, S&P or Moody’s ranging from AAA (Aaa) to BBB (Baa);
- Speculative investments with ratings of BB (Ba) and below.

For the purpose of the foregoing securities rating limitations, a security will be deemed to be within the relevant rating category even if the rating agency has assigned a modifier, such as a “minus”, to the rating. For example, a security rated A- by S&P will be deemed to be rated A by S&P for these purposes.

In the absence of a rating from the rating agencies (such as, but not limited to, Fitch, S&P or Moody’s),

- in case of government bonds or government money market instruments, the equivalent long term debt sovereign rating of the country may be used as an alternative for the rating of these securities;
- in case of bonds or money market instruments issued by a corporate, the available rating of the issuer may be used as an alternative for the rating of these securities.

If finally, no rating is available from the rating agencies, or, if so described in the relevant investment policy, the Investment Manager will be entitled to invest in securities which, in his opinion, are deemed to be within the relevant rating category. When rating agencies assign different ratings to a given security, the Investment Manager may consider the highest rating as the valid one.

Sub-Funds using credit derivatives may, in the case of a credit event, have to accept delivery of non-investment-grade bonds.

Fixed-income Sub-Funds will be invested in bonds, fixed or floating-rate securities and short-term-debt securities of high quality (A or better, or of equivalent quality in the opinion of the Investment Manager) unless otherwise mentioned in the description of a particular Sub-Fund.

Units of permitted UCIs with, according to their investment policy, at least 50% of their assets invested in fixed-income securities will be deemed to be investment-grade debt securities unless otherwise provided in the description of the investment policy of the collective investment vehicle.

Risks related to investments in below investment-grade securities are described in the Risk Factors Annex.

3.3 Commodity indices and other strategies – use of swaps/TRS

The Company has implemented for certain Sub-Funds commodity indices strategies through swaps, namely:

- swap on long only commodity indices (named for ease of reference as the "Commodity Swap" – see paragraph 3.3.1 below);
- swap on long/short commodity indices (named for ease of reference as the "Backwardation Swap", "Commodity Curve Arbitrage Swap" and "Commodity Value Swap", respectively – see paragraphs 3.3.2, 3.3.3 and 3.3.4, respectively below).

The Company has also implemented for certain Sub-Funds certain strategies through TRS (see paragraph 3.3.5 below).

The investment policy of the relevant Sub-Funds indicates which of these strategies are pursued.

A Licence Fee (as defined under paragraph 10.5.3) applies in relation to the Commodity Swap and the Backwardation Swap below.

The swaps listed under paragraphs 3.3.1 to 3.3.5 are TRS and represent the core part of the investment objective and policy pursued by the relevant Sub-Funds. Please refer to paragraph 4.1 (vii) for additional information regarding OTC derivatives and the Annex A for information regarding the expected leverage in relation to TRS used by the relevant Sub-Funds.

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation" for information regarding the legal and regulatory requirements applicable indices used in the commodity indices strategies.

3.3.1 Commodity Swap

Mechanism of the Commodity Swap

By means of the swap, the Sub-Fund and each counterparty to the swaps (the "Swap Counterparty(ies)") agree to exchange all or part of the subscription monies against the performance of a long only commodity index (the "Index") as further described in the index rule book corresponding to the relevant index (the "Index Rule Book"), less fees and expenses charged by the Swap Counterparties which in normal market conditions should not exceed 0.50% per annum of the Net Asset Value of the Sub-Fund. The net of fee performance of the relevant Index (either positive or negative) is then transferred to the Sub-Fund through a daily mark-to-market valuation of the swaps. The Sub-Fund will have to make a payment to the relevant Swap Counterparty in the event that the relevant Index decreases in value. By contrast, the relevant Swap Counterparty will have to make a payment to the Sub-Fund in the event that the relevant Index increases in value.

As the swaps are OTC transactions, the risk exposure of the Sub-Fund to each Swap Counterparty will increase when there is an increase of value of the relevant Index. The risk exposure of the Sub-Fund to the Swap Counterparties will not exceed the limits imposed by the Investment Restrictions described in Section 4. The Sub-Fund and the Swap Counterparties will reduce their respective counterparty risk by transferring cash amounts being equivalent to the positive or negative performance of the relevant Index in accordance with the 2010 Law and applicable CSSF circulars. In order to reduce the Sub-Fund's exposure to the risk related to the Swap Counterparties, cash transfers are also made as soon as a certain threshold per Swap Counterparty is reached. The collateral transferred to the Sub-Fund is held by the Depositary.

General description of the relevant Index

This section is a summary description of the indices that may qualify as the Index. For a complete description of the relevant Index, please refer to the relevant Index Rule Book, published on the website www.loim.com and which may be obtained at the registered office of the Company on request free of charge.

The Index is compliant with article 44 of the 2010 Law, article 9 of the Grand-Ducal Regulation of 8 February 2008 as well as CSSF Circular 08/339 (as amended by CSSF Circular 08/380) and CSSF Circular 14/592.

The Index is intended to capture the performance of 18 commodities within four broad commodity sectors (i.e., precious metals, industrial metals, energy and agriculture – ex-essential food), through investment in the relevant LOIM Dynamic Roll Commodity Mono Indices (the "Mono Indices") as defined in the relevant Index Rule Book (each a "Component"). For a complete description of

the Mono Indices and the Components, please refer to the relevant Family Index Rule Book published on the website www.loim.com and which may be obtained free of charge at the registered office of the Company on request.

The Index is calculated on a daily basis and its value is expressed in USD. The Index is calculated on an excess return basis. As a consequence, the Index value reflects a cashless investment strategy calculated from a value derived from the value of the Components. The Components are listed futures contracts which require little or no cash to invest in those listed contracts in order to obtain the economic exposure and risk attaching to such contracts.

Each Component aims to provide exposure to one of the 18 commodities and is constructed by taking exposure, in its respective commodity market, to future contracts with a given tenor and, prior to maturity, "rolling" it into replacement future contracts. In order to reduce the potentially negative effect of rolling futures contracts which are due to expire, the future contracts are selected using an optimization model (described in the Family Index Rule Book) which takes into account the shape of the forward curve for the Index. Investors in the Index are therefore exposed to gains or losses connected with the process of buying and selling future contracts.

The Components of the Index may be volatile. Such volatility may have an impact on the NAV of the Sub-Fund in several ways.

The value of each Component (and thus the value of the Index) will, under normal conditions, increase if the value of its corresponding future contract goes up and decrease if the value of its corresponding future contract goes down.

The composition and weighting of the Index are determined using a fully transparent rule-based methodology: the Risk Parity Methodology (as defined in the relevant Index Rule Book). According to such methodology the weight of each commodity is adjusted so that its contribution to the risk of the total portfolio tends to be equivalent to other commodities. Other things equal, the higher the risk of fluctuation of the value of a commodity, the lower its weight in the Index. For each commodity, the risk is calculated using proprietary models analyzing historical price movements. As certain commodities tend to exceptionally overweight all other commodities in terms of volume trading in the selected reference commodity market, this may justify an allocation for a single Component above the 20% limitation and up to 35%.

The Index is rebalanced systematically on a monthly basis using the Risk Parity Methodology developed by the Index Sponsor (as defined in the relevant Index Rule Book).

The current composition of the Index and the weightings of its Components will be made available on www.loim.com.

The composition, methodology and calculation of the Index may be adjusted in the event of (i) certain adjustments or disruptive events in relation to a Component which affect the ability of the Index Sponsor to properly determine the value of the Index and (ii) certain "force majeure" events outside the reasonable control of the Index Sponsor (including but not limited to, systems failure, natural or man-disaster, armed conflict or act of terrorism) which could affect any Component.

The Index Sponsor may amend the methodology of the Index in a manner that it may deem necessary if the fiscal, market, regulatory, juridical and financial circumstances require such modification.

The Index Sponsor reserves the right to amend or adjust the Index methodology from time to time as specified in the relevant Index Rule Book. According to the relevant Index Rule Book, the Index Calculation Agent (as defined in the relevant Index Rule Book) and the Index Sponsor may delay or suspend the calculation, and publication of the Index. The Index Sponsor, and where applicable, the Index Calculation Agent disclaim(s) any liability for any such suspension or interruption in the calculation of the Index.

The Index Calculation Agent and/or the Index Sponsor may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as swap(s) counterparty, market-maker, hedging counterparty, issuer of components of the Index. Such activities could result in potential conflicts of interest that could influence the price or value of the swap(s).

The Index Calculation Agent and the Index Sponsor shall not be held liable for any modification or change in the Risk Parity Methodology (as described in the relevant Index Rule Book) used in calculating the Index nor for the Monthly Target Weights determined by the Index Adviser (as defined in the relevant Index Rule Book).

Investors should note that the Net Asset Value per Share of the Sub-Fund will not track the "spot price" of the underlying commodities of the Index as the Net Asset Value per Share is impacted by (i) the Index replication costs, as the case may be and as described in the relevant Index Rule Book, (ii) the fees and expenses charged by the Swap Counterparty(ies) as described above and (iii) the Charges and Expenses described in Section 10, and in particular the Management Fees and the Distribution Fees. Also, in normal market conditions, the anticipated level of tracking error defined as the volatility of the difference between the return of the swap and the return of the Index is between 0.5% and 1%. The Sub-Fund's ability to track the performance of the Index will depend on factors such as replication costs (as the case may be), cash management, swap notional adjustment (linked to cash flows), market disruption events (as detailed in the relevant Index Rule Book) and foreign exchange hedging for hedged Share classes.

3.3.2 Backwardation Swap

Mechanism of the Backwardation Swap

By means of the swap, the Sub-Fund and each counterparty to the swaps (the "Swap Counterparty(ies)") agree to exchange part of the subscription monies against the performance of a long/short commodity backwardation index (the "Index") as further described in the index rule book corresponding to the relevant index (the "Index Rule Book"), less fees and expenses charged by the Swap Counterparties which in normal market conditions should not exceed 0.50% per annum of the Net Asset Value of the Sub-Fund. The net of fee performance of the relevant Index (either positive or negative) is then transferred to the Sub-Fund through a daily mark-to-market valuation of the swap. The Sub-Fund will have to make payments to the relevant Swap Counterparty in the event that the relevant Index decreases in value. By contrast, the relevant Swap Counterparty will have to make a payment to the Sub-Fund in the event that the relevant Index increases in value.

As the swaps are OTC transactions, the risk exposure of the Sub-Fund to each Swap Counterparty will increase when there is an increase of value of the relevant Index. The risk exposure of the Sub-Fund to the Swap Counterparties will not exceed the limits imposed by the Investment Restrictions described in Section 4. The Sub-Fund and the Swap Counterparties will reduce their respective counterparty risk by transferring cash amounts being equivalent to the positive or negative performance of the relevant Index in accordance with the 2010 Law and applicable CSSF circulars. The collateral transferred to the Sub-Fund is held by the Depositary.

General description of the relevant Index

This section is a summary description of the indices that may qualify as the Index. For a complete description of the relevant Index, please refer to the relevant Index Rule Book, published on the website www.loim.com and which may be obtained at the registered office of the Company on request free of charge.

The Index is compliant with article 44 of the 2010 Law, article 9 of the Grand-Ducal Regulation of 8 February 2008 as well as CSSF Circular 08/339 (as amended by CSSF Circular 08/380) and CSSF Circular 14/592.

The Index is intended to capture the relative performance of 16 commodities within 4 commodity sectors (i.e., energy, industrial metals, precious metals and agriculture (ex-essential food) through a systematic long/short strategy. The Index invests through the relevant S&P GSCI Indices (each a "Component"), as calculated by Standard & Poor's as defined in the relevant Index Rule Book.

The Index is calculated on a daily basis and its value is expressed in USD. The Index is calculated on an excess return basis. As a consequence, the Index value reflects a cashless investment strategy calculated from a value derived from the value of the Components. The Components are made of listed futures contracts which require little or no cash to invest in those listed contracts in order to obtain the economic exposure and risk attaching to such contracts.

The composition and weighting of the Index are determined using a linear weight allocation scheme, with weights further adjusted according to a predefined volatility target. Other things equal, the bigger the positive roll yield, the higher the respective weight in the Index. As certain commodities tend to exceptionally overweight all other commodities in terms of volume trading in the selected reference commodity market, this may justify an allocation for a single Component above the 20% limitation and up to 35%.

The Index is rebalanced systematically on a monthly basis.

The current composition of the Index and the weightings of its Components will be made available on www.loim.com.

The composition, methodology and calculation of the Index may be adjusted in the event of (i) certain adjustments or disruptive events in relation to any future commodities which affect the ability of the Index Sponsor (as defined in the relevant Index Rule Book) to properly determine the value of the Index and (ii) certain "force majeure" events outside the reasonable control of the Index Sponsor (including but not limited to, systems failure, natural or man-disaster, armed conflict or act of terrorism) which could affect any future commodities.

The Index Sponsor may amend the methodology of the Index in a manner that it may deem necessary if the fiscal, market, regulatory, juridical and financial circumstances require such modification.

The Index Sponsor reserves the right to amend or adjust the Index methodology from time to time as specified in the Index Rule Book. According to the relevant Index Rule Book, the Index Calculation Agent (as defined in the relevant Index Rule Book) and the Index Sponsor may delay or suspend the calculation, and publication of the Index. The Index Sponsor, and where applicable, the Index Calculation Agent disclaim(s) any liability for any such suspension or interruption in the calculation of the Index.

The Index Calculation Agent and/or the Index Sponsor may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as swap(s) counterparty, market-maker, hedging counterparty. Such activities could result in potential conflicts of interest that could influence the price or value of the swap(s).

The Index Calculation Agent and the Index Sponsor shall not be held liable for any modification or change in the Methodology (as described in the relevant Index Rule Book) used in calculating the Index.

Investors should note that the Net Asset Value per Share of the Sub-Fund is impacted by (i) the fees and expenses charged by the Swap Counterparty(ies) as described above and (ii) the Charges and Expenses described in Section 10, and in particular the Management Fees and the Distribution Fees. Also, in normal market conditions, the anticipated level of tracking error defined as the volatility of the difference between the return of the swap and the return of the Index is between 0.5% and 1%. The Sub-Fund's ability to track the performance of the Index will depend on factors such as cash management, swap notional adjustment (linked to cash flows), market disruption events (as detailed in the relevant Index Rule Book) and foreign exchange hedging for hedged Share classes.

3.3.3 Commodity Curve Arbitrage Swap

Mechanism of the Commodity Curve Arbitrage Swap

By means of the swap, the Sub-Fund and each counterparty to the swaps (the "Swap Counterparty(ies)") agree to exchange part of the subscription monies against the performance of a long/short commodity curve arbitrage index (the "Index") as further described in the index rule book corresponding to the relevant Index (the "Index Rule Book"), less fees and expenses charged by the Swap Counterparty(ies).

The net of fee performance of the relevant Index (either positive or negative) is then transferred to the Sub-Fund through a daily mark-to-market valuation of the swap. The Sub-Fund will have to make payments to the relevant Swap Counterparty in the event that the relevant Index decreases in value. By contrast, the relevant Swap Counterparty will have to make a payment to the Sub-Fund in the event that the relevant Index increases in value.

As the swaps are OTC transactions, the risk exposure of the Sub-Fund to each Swap Counterparty will increase when there is an increase of value of the relevant Index. The risk exposure of the Sub-Fund to the Swap Counterparties will not exceed the limits imposed by the Investment Restrictions described in Section 4. The Sub-Fund and the Swap Counterparties will reduce their respective counterparty risk by transferring cash amounts being equivalent to the positive or negative performance of the relevant Index in accordance with the 2010 Law and applicable CSSF circulars. In order to reduce the Sub-Fund's exposure to the risk related to the Swap Counterparties, cash transfers are also made as soon as a certain threshold per Swap Counterparty is reached. The collateral transferred to the Sub-Fund is held by the Depositary.

General description of the relevant Index

This section is a summary description of the indices that may qualify as the Index. For a complete description of the relevant Index, please refer to the relevant Index Rule Book, published on the website www.loim.com and which may be obtained at the registered office of the Company on request free of charge.

The Index is compliant with article 44 of the 2010 Law, article 9 of the Grand-Ducal Regulation of 8 February 2008 as well as CSSF Circular 08/339 (as amended by CSSF Circular 08/380) and CSSF Circular 14/592.

The Index is intended to capture the roll yield across a broad and diversified commodity universe, following a systematic long/short strategy. The Index takes for each commodity, long positions in deferred contracts and a short position on the front contract for the same notional amount (Dollar neutral). The Index invests in 13 commodities within the three main commodity sectors (i.e., energy, agriculture (ex-essential food) and metals). The Index invests through the relevant LOIM Indices (each a "Component"), as defined in the relevant Index Rule Book.

The composition and the allocation of the Index is systematically adjusted on a monthly basis.

The Index is calculated on a daily basis and its value is expressed in USD. The Index is calculated on an excess return basis. As a consequence, the Index value reflects a cashless investment strategy calculated from a value derived from the value of the Components. The Components are made of listed futures contracts which require little or no cash to invest in those listed contracts in order to obtain the economic exposure and risk attaching to such contracts.

The Index is rebalanced systematically on a monthly basis.

The current composition of the Index and the weightings of its Components will be made available on www.loim.com.

The composition, methodology and calculation of the Index may be adjusted in the event of (i) certain adjustments or disruptive events in relation to any future commodities which affect the ability of the Index Sponsor (as defined in the relevant Index Rule Book) to properly determine the value of the Index and (ii) certain "force majeure" events outside the reasonable control of the Index Sponsor (including but not limited to, systems failure, natural or man-disaster, armed conflict or act of terrorism) which could affect any future commodities.

The Index Sponsor may amend the methodology of the Index in a manner that it may deem necessary if the fiscal, market, regulatory, juridical and financial circumstances require such modification.

The Index Sponsor reserves the right to amend or adjust the Index methodology from time to time as specified in the Index Rule Book. According to the relevant Index Rule Book, the Index Calculation Agent (as defined in the relevant Index Rule Book) and the Index Sponsor may delay or suspend the calculation, and publication of the Index. The Index Sponsor, and where applicable, the Index Calculation Agent disclaim(s) any liability for any such suspension or interruption in the calculation of the Index.

The Index Calculation Agent and/or the Index Sponsor may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as swap(s) counterparty, market-maker, hedging counterparty. Such activities could result in potential conflicts of interest that could influence the price or value of the swap(s).

The Index Calculation Agent and the Index Sponsor shall not be held liable for any modification or change in the Methodology (as described in the relevant Index Rule Book) used in calculating the Index.

Investors should note that the Net Asset Value per Share of the Sub-Fund is impacted by (i) the fees and expenses charged by the Swap Counterparty(ies) as described above and (ii) the Charges and Expenses described in Section 10, and in particular the Management Fees and the Distribution Fees. Also, in normal market conditions, the anticipated level of tracking error defined as the volatility of the difference between the return of the swap and the return of the Index is between 0.5% and 1%. The Sub-Fund's ability to track the performance of the Index will depend on factors such as cash management, swap notional adjustment (linked to cash flows), market disruption events (as detailed in the relevant Index Rule Book) and foreign exchange hedging for hedged Share classes.

3.3.4 Commodity Value Swap

Mechanism of the Commodity Value Swap

By means of the swap, the Sub-Fund and each counterparty to the swaps (the "Swap Counterparty(ies)") agree to exchange part of the subscription monies against the performance of a long/short commodity value index (the "Index") as further described in the index rule book corresponding to the relevant Index (the "Index Rule Book"), less fees and expenses charged by the Swap Counterparty(ies).

The net of fee performance of the relevant Index (either positive or negative) is then transferred to the Sub-Fund through a daily mark-to-market valuation of the swap. The Sub-Fund will have to make payments to the relevant Swap Counterparty in the event that the relevant Index decreases in value. By contrast, the relevant Swap Counterparty will have to make a payment to the Sub-Fund in the event that the relevant Index increases in value.

As the swaps are OTC transactions, the risk exposure of the Sub-Fund to each Swap Counterparty will increase when there is an increase of value of the relevant Index. The risk exposure of the Sub-Fund to the Swap Counterparties will not exceed the limits imposed by the Investment Restrictions described in Section 4. The Sub-Fund and the Swap Counterparties will reduce their respective counterparty risk by transferring cash amounts being equivalent to the positive or negative performance of the relevant Index in accordance with the 2010 Law and applicable CSSF circulars. In order to reduce the Sub-Fund's exposure to the risk related to the Swap Counterparties, cash transfers are also made as soon as a certain threshold per Swap Counterparty is reached. The collateral transferred to the Sub-Fund is held by the Depositary.

General description of the relevant Index

This section is a summary description of the indices that may qualify as the Index. For a complete description of the relevant Index, please refer to the relevant Index Rule Book, published on the website www.loim.com and which may be obtained at the registered office of the Company on request free of charge.

The Index is compliant with article 44 of the 2010 Law, article 9 of the Grand-Ducal Regulation of 8 February 2008 as well as CSSF Circular 08/339 (as amended by CSSF Circular 08/380) and CSSF Circular 14/592.

The Index is intended to capture the performance of a systematic long/short strategy over a broad and diversified set of commodities in the three main sectors of the commodity universe (i.e., metals, energy and agriculture (ex-essential food)). The Index takes long positions and short positions in commodity futures (each a "Component"), as defined in the relevant Index Rule Book.

The composition and the allocation of the Index is systematically rebalanced on a weekly basis.

The Index is calculated on a daily basis and its value is expressed in USD. The Index is calculated on an excess return basis. As a consequence, the Index value reflects a cashless investment strategy calculated from a value derived from the value of

the Components. The Components are made of listed futures contracts which require little or no cash to invest in those listed contracts in order to obtain the economic exposure and risk attaching to such contracts.

The Index is rebalanced systematically on a weekly basis.

The current composition of the Index and the weightings of its Components will be made available on www.loim.com.

The composition, methodology and calculation of the Index may be adjusted in the event of certain adjustments or disruptive events in relation to any commodity futures which affect the ability of the Index Sponsor (as defined in the relevant Index Rule Book) to properly determine the value of the Index.

The Index Sponsor reserves the right to amend or adjust the Index methodology from time to time as specified in the Index Rule Book. According to the relevant Index Rule Book, the Index Calculation Agent (as defined in the relevant Index Rule Book) and the Index Sponsor may delay or suspend the calculation, and publication of the Index. The Index Sponsor, and where applicable, the Index Calculation Agent disclaim(s) any liability for any such suspension or interruption in the calculation of the Index.

The Index Calculation Agent and/or the Index Sponsor may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as swap(s) counterparty, market-maker, hedging counterparty. Such activities could result in potential conflicts of interest that could influence the price or value of the swap(s).

The Index Calculation Agent and the Index Sponsor shall not be held liable for any modification or change in the Methodology (as described in the relevant Index Rule Book) used in calculating the Index.

Investors should note that the Net Asset Value per Share of the Sub-Fund is impacted by (i) the fees and expenses charged by the Swap Counterparty(ies) as described above and (ii) the Charges and Expenses described in Section 10, and in particular the Management Fees and the Distribution Fees. Also, in normal market conditions, the anticipated level of tracking error defined as the volatility of the difference between the return of the swap and the return of the Index is between 0.5% and 1%. The Sub-Fund's ability to track the performance of the Index will depend on factors such as cash management, swap notional adjustment (linked to cash flows), market disruption events (as detailed in the relevant Index Rule Book) and foreign exchange hedging for hedged Share classes.

3.3.5 TRS

A Sub-Fund may enter into TRS on various instruments as underlying such as equity, interest rates, credit, currencies, indices, volatility as well as baskets composed of such instruments.

Where a Sub-Fund enters into a TRS or invests in other financial derivative instruments with similar characteristics, the assets held by the Sub-Fund shall comply with the investment limits set out in articles 52, 53, 54, 55 and 56 of the UCITS Directive. For example, when a Sub-Fund enters into an unfunded swap, the Sub-Fund's investment portfolio that is swapped out shall comply with the aforementioned investment limits. As TRS are OTC transactions, the risk exposure of the Sub-Fund to each TRS counterparty will increase when there is an increase of value of the underlying. The risk exposure of the Sub-Fund to the TRS counterparties will not exceed the limits imposed by the Investment Restrictions described in Section 4. The Sub-Fund and the TRS counterparties will reduce their respective counterparty risk by transferring cash amounts being equivalent to the positive or negative performance of the relevant underlying in accordance with the 2010 Law and applicable CSSF circulars. The collateral transferred to the Sub-Fund is held by the Depositary.

It shall be noted that, whenever a Sub-Fund uses TRS, the relevant counterparty(ies) (which are first-class financial institution) shall have no discretion over the composition or management of the Sub-Fund's investment portfolio or of the underlying of the financial derivative instrument which remain at the Investment Manager's discretion.

3.4 Performance of the Sub-Funds

A graph, showing the historical performances of the Sub-Funds which have existed for at least one complete calendar year, is contained in the respective key information document.

4. INVESTMENT RESTRICTIONS

4.1 Eligible Assets

Whilst the Company has broad powers under its Articles as to the type of investments it may take and the investment methods it may adopt, the Directors have resolved that the Company may only invest in:

Transferable Securities and Money Market Instruments

- (i) transferable securities and money market instruments admitted to an Official Listing; and/or
- (ii) transferable securities and money market instruments dealt in a Regulated Market; and/or
- (iii) 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 an Official Listing or a Regulated Market and such admission is achieved within a year of the issue;
- (iv) money market instruments other than those admitted to an Official Listing or dealt in on a Regulated Market, which are liquid and whose value can be determined with precision at any time, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking, any securities of which are admitted to an Official Listing or dealt in on Regulated Markets referred to in items (i) and (ii) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community Law such as a credit institution which has its registered office in a country which is an OECD member state and a FATF state, or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indents and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (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 securitization vehicles which benefit from a banking liquidity line.

The Company may also invest in transferable securities and money market instruments other than those referred to in items (i) to (iv) above provided that the total of such investment shall not exceed 10% of the net assets attributable to any Sub-Fund.

Units of UCITS and UCIs

- (v) units of UCITS authorized according to the UCITS Directive and/or other UCIs within the meaning of article 1, paragraph (2), letters (a) and (b) of the UCITS Directive should they be situated in a Member State or not, provided that:
 - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured, such as UCIs which have been authorized under the laws of any Member State or under the laws of Canada, Hong Kong, Jersey, Japan, Norway, Switzerland or the United States of America;
 - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
 - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of the relevant Sub-Fund), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs.

In accordance with article 46 (3) of the 2010 Law, no subscription or redemption fees may be charged to the Company if the Company invests in Target Sub-Funds or in units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or voting rights.

When a Sub-Fund invests its assets in other UCITS or UCIs or a Target Sub-Fund, the maximum level of the management fee that may be charged to both the Sub-Fund and to such other UCITS or UCI or Target Sub-Fund can be found in Annex A in respect of each Sub-Fund.

Under the conditions set forth by the Luxembourg laws and regulations, any Sub-Fund may subscribe, acquire and/or hold Shares of a Target Sub-Fund provided that:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and
- pursuant to the investment restrictions and policy of the Target Sub-Fund, the Target Sub-Fund whose acquisition is contemplated may not invest in aggregate more than 10% of its assets in shares of other UCITS or UCIs, including another Sub-Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Company, 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.

The Sub-Funds qualifying as Feeder, shall invest at least 85% of their assets in another UCITS or a sub-fund of a UCITS, under the conditions set forth by the Luxembourg laws and regulations and as provided for in this Prospectus.

If qualified as Feeder, a Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets; and
- financial derivative instruments which may be used only for hedging purposes in accordance with the relevant provisions of the 2010 Law.

None of the Sub-Funds whose Shares are distributed in Switzerland will qualify as a Feeder.

Deposits with Credit Institutions

- (vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered seat in a Member State or, if the registered seat of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law such as a credit institution which has its registered office in a country which is an OECD member State and a FATF State;

Financial Derivative Instruments

- (vii) financial derivative instruments, including equivalent cash-settled instruments, admitted to an Official Listing or dealt in on a Regulated Market referred to in items (i) and (ii) above; and/or OTC derivatives, provided that:
- the underlying consists of instruments described in sub-paragraphs (i) to (vi), financial indices, interest rates, foreign exchange rates, or currencies, in which the Sub-Funds may invest in accordance with their investment policies,
 - the counterparties to OTC derivative transactions are only first-class counterparties that are internationally recognized financial institutions. Counterparties may not, as a rule and unless the Board resolve otherwise, have a credit rating below BBB-. Counterparties are domiciled in an OECD member State and specialized in OTC derivatives. When selecting counterparties, in addition to an analysis of credit quality and other financial aspects (including qualitative and quantitative criteria), the following criteria are taken into account: market share or specific potential, market knowledge and organization (front, collateral management, back office),
 - 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
 - collateral received in respect of OTC derivatives consists of cash in USD, GBP, EUR and CHF and of debt obligations issued by a governmental entity of a Member State or an OECD member State adjusted by the applicable margin in accordance with the table below (the "Haircut"):

Haircut applicable to collateral received in respect of OTC derivatives:

Cash	0%
Debt obligations	0,75% to 10% according to the maturity of the debt obligation (<i>i.e.</i> the longer the maturity, the higher is the applicable haircut) and to the robustness of its issuer.

- collateral received, including cash, will not be sold, reinvested or pledged.

The collateral transferred to the Sub-Fund in the context of the activities described in this section are held by the Depositary or a sub-custodian of the Depositary for which the custody of the collateral has been delegated under the responsibility of the Depositary.

Securities collateral is diversified to ensure that a maximum exposure to a given issuer is limited to 20% of the assets. By way of derogation, the Company may be fully collateralized in securities issued or guaranteed by a Member State, one or more of its local authorities, a member State of the OECD or of the G20 or Singapore or by public international bodies of which one or more Member States are members.

Bonds received as collateral must have a maturity of less than 20 years.

The Company shall only accept highly liquid assets with not less than a daily liquidity.

Counterparties are not allowed to deliver securities (such as equities and bonds) issued by themselves or any of their subsidiaries.

The exchange of collateral is controlled and organised daily based of the exposure to OTC derivative transactions versus the valuation of the collateral adjusted by margins. Collateral is valued on a daily basis based on the mark-to-market method.

All revenues arising from the activities mentioned above, net of direct and indirect operational costs, must be returned to the Company.

Categories of Financial Derivative Instruments

The Company may use all the financial derivative instruments authorized by the Luxembourg Law or by Circulars issued by the CSSF and in particular, but not exclusively, the following financial derivative instruments:

- financial derivative instruments linked to equity ("Equity derivatives") such as call and put options, spread options, contracts for difference, swaps or futures contracts on securities, derivatives on equity indices, baskets or any kind of financial instruments;
- financial derivative instruments linked to commodity indices ("Commodity derivatives");
- financial derivative instruments linked to currency fluctuations ("Currency derivatives") such as forward currency contracts or call and put options on currencies, currency swaps or forward foreign exchange transactions;
- financial derivative instruments linked to interest rate risks ("Interest rate derivatives") such as call and put options on interest rates, interest rate swaps, forward rate agreements, interest rate futures contracts, swaptions whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (e.g. where future rates are set in relation to a benchmark), caps and floors whereby the seller agrees to compensate the buyer if interest rates rise above, respectively fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement in exchange of an up front premium. It should be noted that the Sub-Funds using interest rate derivatives as part of their investment strategy may have a negative duration;
- financial derivative instruments related to credit risks ("Credit derivatives"), such as credit spread derivatives, credit default swaps or total return swaps. When a Sub-Fund invests in TRS or other FDIs with similar characteristics the information required by CSSF Circular 14/592 implementing ESMA Guidelines for competent authorities and UCITS management companies 2012/832 can be found in Annex A. Credit derivatives are designed to isolate and transfer the credit risk associated with a particular reference asset such as credit spread derivatives in which the payments may be made either by the buyer or the seller of the protection based on the relative credit value of two or more reference assets, or such as credit default swaps whereby one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as a downgrading of the rating assigned by a rating agency, bankruptcy, insolvency, receivership, material adverse restructuring of debt or failure to

meet payment obligations when due. The Sub-Funds using financial derivative instruments as part of their investment strategy may enter, as buyer or seller of protection, into credit default swap transactions on eligible assets as defined in this Section 4, including on financial instruments having one or several characteristics of those eligible assets, provided that such transactions are either cash settled or result in the delivery, to the Sub-Funds, of eligible assets when a credit event occurs. In a total return swap, the buyer makes a regular payment at a variable rate, in return for all the results relating to a notional amount of a particular reference asset (coupons, interest payments, change in asset value) which accrue over a period of time agreed with the seller. The seller "transfers" to the buyer the economic performance of the reference asset, but remains the owner of the asset. Credit derivatives can carry a higher risk than direct investment in bonds. The market for credit derivatives may sometimes be more illiquid than bond markets;

- financial derivative instruments linked to inflation ("Inflation derivatives") such as inflation swaps and call and put options based on inflation and inflation swaps. Inflation swaps are derivatives whereby one party pays (or receives) a fixed payment based on expected inflation in return for the receipt (or payment) of a variable payment based on the actual realized inflation rate over the life of the instrument;
- financial derivative instruments linked to volatility ("Volatility derivatives") such as volatility swaps and call and put options based on volatility and volatility swaps. Volatility swaps are derivatives whereby one party pays (or receives) a fixed payment in return for the receipt (or payment) of a variable payment based on the realized volatility of the underlying product (exchange rate, interest rate, stock index,...) over the life of the instrument.

Additional risks associated with the use of financial derivative instruments are described in the Risk Factors Annex.

Strategies used for financial derivative transactions

Financial derivative transactions may be used for one of the following strategies: for hedging purposes of the investment positions, for EPM or as part of the investment strategy of a Sub-Fund.

Transactions on derivatives entered into for hedging purposes aim to protect portfolios against market movements, credit risks, currency fluctuations, inflation risks and interest rate risks. Hedging presupposes the existence of a relation between the underlying financial instrument of the derivative and the financial instrument to be hedged.

In order to be considered for EPM, transactions on derivatives must be entered into for one or more of the following specific aims: reduction of risk, reduction of cost, or generation of additional capital or income for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund. Transactions entered into for EPM must be economically appropriate, which implies that they are realized in a cost-effective way. The following are some examples of financial derivative transactions entered into for EPM:

- buying of call options or selling of put options on indices, for recently created Sub-Funds or for Sub-Funds holding Cash and Cash Equivalents on a temporary basis, pending investments, provided such indices comply with the conditions mentioned in paragraph 4.2 (f) and the exposure to the underlying indices does not exceed the value of the Cash and Cash Equivalents pending investment;
- replacing, on a temporary basis and for fiscal or other economical reasons, direct investments in securities by derivative exposure to the same securities;
- proxy hedging of the Reference Currency of a Sub-Fund used to reduce the currency exposure of an investment towards a currency which is sufficiently correlated with the Reference Currency, provided that direct hedging against the Reference Currency is not possible or less advantageous for the Sub-Fund. Two currencies are sufficiently correlated (i) if they belong to the same monetary union, or (ii) if they are scheduled to belong to the same monetary union, or (iii) if one of the currencies is part of a currency basket against which the central bank for the other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate, or (iv) if in the opinion of the Investment Manager the currencies are deemed to be sufficiently correlated;
- proxy hedging of a currency of investment of a Sub-Fund used to reduce the currency exposure of an investment towards the Reference Currency whereby the Sub-Fund sells a currency which is sufficiently correlated to the currency of investment, provided that direct hedging of the currency of investment is not possible or less advantageous for the Sub-Fund;
- cross hedging of two currencies of investment whereby a Sub-Fund sells one of the currencies of investment and purchases another currency pending investment in that currency, maintaining the total exposure of the Reference Currency unchanged.

Transactions on derivatives entered neither for hedging purposes nor for EPM may be used as part of the investment strategy. However, this has to be mentioned in the description of the Sub-Funds concerned (Annex A) and is always subject to the limits permitted by the Investment Restrictions. The use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure (i.e. the total exposure on derivatives, portfolio and other assets) of a Sub-Fund and the volatility of its Net Asset Value.

4.2 Investment Limits Applicable to Eligible Assets

The following limits are applicable to the eligible assets mentioned in paragraph 4.1:

Transferable Securities and Money Market Instruments

- (a) The Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuer.
- (b) Moreover, where the Company, on behalf of a Sub-Fund, holds investments in transferable securities or money market instruments of any issuing body which by issuer 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 the Sub-Fund.
- (c) (i) The limit of 10% laid down in sub-paragraph (a) above may be increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, by its local authorities, by another member State of the OECD or of the G20 or by public international bodies of which one or more Member States are members.
- (ii) The limit of 10% laid down in sub-paragraph (a) above may be increased to a maximum of 25% for certain bonds where they are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance 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 reimbursement of the principal and payment of the accrued interest.

If the Company, on behalf of a Sub-Fund, invests more than 5% of the Sub-Fund's assets in the bonds referred to in sub-paragraph (c) (ii) which are issued by a single issuer, the total value of such investments may not exceed 80% of the value of the assets of the Sub-Fund.

The transferable securities and money-market instruments referred to in sub-paragraphs (c) (i) and (ii) shall not be taken into account for the purpose of applying the limit of 40% referred to in sub-paragraph (b).

- (d) **Notwithstanding the limits set forth under sub-paragraphs (a) and (c) above, each Sub-Fund is authorized to invest in accordance with the principle of risk spreading, up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by an OECD member state, Singapore or any member state of the G20 or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues, and (ii) the securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.**
- (e) The limit of 10% laid down in sub-paragraph (a) above may be increased to a maximum of 25% in respect of certain debt securities if they are issued by credit institutions having their registered office in a Member State and which are subject, by law, to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of such debt securities, are capable of covering claims attaching to the debt securities and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.
- Such debt securities need not be included in the calculation of the limit of 40% stated in sub-paragraph (b). But where the Company, on behalf of a Sub-Fund, holds investments in such debt securities 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 80% of the total net assets of the Sub-Fund.
- (f) Without prejudice to the limits laid down in sub-paragraph (n), the limit of 10% laid down in sub-paragraph (a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a given Sub-Fund is to replicate the composition of a certain equity or debt securities index which is recognized by the CSSF, on the following basis:
- the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

Securities mentioned in sub-paragraph (f) need not be included in the calculation of the limit of 40% stated in sub-paragraph (b).

Units of UCITS and UCIs

- (g) Unless otherwise provided in the investment policy of a particular Sub-Fund, a Sub-Fund cannot invest more than 10% of its net assets in securities of UCITS or other UCIs. If and to the extent a Sub-Fund is authorized to invest more than 10% of its net assets in securities of UCITS or other UCIs, it may invest up to 20% of its net assets in securities of a same UCITS or other UCI.

For the purpose of this provision, each sub-fund of a UCITS or other UCI with multiple compartments shall be considered as a separate issuer, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties.

Investments in other UCIs may not exceed 30% of the Sub-Fund's net assets.

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 applying the investment limitations mentioned in paragraph 4.2.

Under the conditions set forth by Luxembourg laws and regulations, new Sub-Funds of the Company may qualify as Feeder or as Master. A Feeder shall invest at least 85% of its net asset value in securities of a same Master or sub-fund of a UCITS. An existing Sub-Fund may convert into a Feeder or a Master subject to the conditions set forth by Luxembourg laws and regulations. An existing Feeder or Master may convert into a standard UCITS sub-fund which is neither a Feeder nor a Master. A Feeder may replace the Master with another Master. When qualifying as Feeder, reference to such qualification will be included in a given Sub-Fund's description in Annex A. None of the Sub-Funds whose Shares are distributed in Switzerland will qualify as a Feeder.

Deposits with Credit Institutions

- (h) The Company may not invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

Financial Derivative Instruments

- (i) The risk exposure to a counterparty of the Company in an OTC derivative transaction may not exceed 10% of the net assets of a Sub-Fund when the counterparty is a credit institution referred to above in sub-paragraph 4.1 (vi) or 5% of its net assets in other cases and shall be combined with the risk exposure to a counterparty of the Company in an EPM technique (as further described in paragraph 4.5 below). Embedded derivatives of SFIs will not be taken into account when calculating the risk exposure to a counterparty, except if the issuer of the SFI is allowed to pass the counterparty risk of underlying derivatives to the Company.
- (j) To calculate the Sub-Fund's Global Exposure, the Company may apply the VaR approach or the commitment approach. Where the VaR approach is used to assess a Sub-Fund Global Exposure, the Company can use the relative VaR approach or the absolute VaR approach. Under the relative VaR approach, the Company will ensure that the Global Exposure does not exceed twice the VaR (200%) of the reference portfolio mentioned in Annex A in relation to a given Sub-Fund. The reference portfolios are used for VaR limitation purpose and not for performance measurement purpose. Under the absolute VaR approach, the Company will ensure that the absolute VaR of a Sub-Fund is not greater than 20% of its total net assets. The VaR is a statistical methodology that predicts the maximum potential loss that a Sub-Fund could make, calculated to a certain confidence level.

Where the commitment approach is used as indicated in Annex A in relation to a given Sub-Fund, the Global Exposure relating to financial derivative instruments may not exceed the total net assets of a Sub-Fund. Accordingly, the total exposure associated with the investments (securities and financial derivative instruments) of the Sub-Fund may amount to 200% of the total net assets of the Sub-Fund. As borrowing is allowed up to a maximum of 10%, the total exposure can reach 210% of the total net assets of the relevant Sub-Fund.

The Global Exposure of the underlying assets shall not exceed the investment limits laid down under sub-paragraphs (a), (b), (c), (e), (h), (i), (l) and (m). The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs (a), (b), (c), (e), (h), (i), (l) and (m).

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

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

As required by the CSSF, the expected level of leverage is disclosed for each Sub-Fund in Annex A in relation to a given Sub-Fund. The expected leverage is expressed as the sum of the absolute value of the notionals of the financial derivative instruments held in each Sub-Fund's portfolio (excluding the investment portfolio) divided by its total net assets. Shareholders should note that the sum of notional calculation methodology does not take into account any netting and hedging arrangements a Sub-Fund may have in place. In addition they should note that leverage per se is not an accurate risk indicator. A higher degree of leverage does not necessarily imply a higher degree of risk (whether market credit or liquidity risks). Therefore, in their assessment of risk, investors should not focus solely on leverage but also consider other meaningful risk measures such as the Global Exposure as referred to above. Investors should note that the leverage can exceed expected leverage as indicated in Annex A in relation to a given Sub-Fund.

(k) Sales of financial derivative instruments with physical delivery or cash settlement

The Sub-Funds may not carry out uncovered sales of financial derivative instruments.

When the derivative provides, either automatically or at the counterpart's choice, for physical delivery of the underlying financial instrument on maturity or exercise, and provided that physical delivery is common practice on the instrument concerned, the Sub-Fund must hold this underlying financial instrument as cover in its portfolio.

In cases where the underlying financial instrument of a financial derivative instrument is highly liquid, the Sub-Fund is allowed to hold exceptionally other liquid assets as cover provided that they can be used at any time to purchase the underlying financial instrument to be delivered and that the additional market risk which is associated with that type of transaction is adequately measured.

Where the financial derivative instrument is cash-settled either automatically or at the Company's discretion, the Sub-Fund is allowed not to hold the specific underlying instrument as cover. In this case, the following categories of instruments constitute an acceptable cover:

- cash;
- liquid debt instruments with appropriate safeguards (in particular, haircuts);
- other highly liquid assets, such as, but not limited to, shares of companies admitted to Official Listing on a stock exchange or dealt in a Regulated Market, recognized by the CSSF in consideration of their correlation with the underlying of the financial derivative instrument, subject to appropriate safeguards.

Are considered as "liquid" those instruments which can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market. This cash amount must be at the Sub-Fund's disposal at the maturity/expiry or exercise date of the financial derivative instrument.

Maximum Exposure to a Single Body

(l) The Company may not combine:

- investments in transferable securities or money market instruments issued by a single body and subject to the 10% limit by body mentioned in sub-paragraph (a); and/or
- deposits made with the same body and subject to the limit mentioned in sub-paragraph (h); and/or
- exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (i);

in excess of 20% of the net assets of any Sub-Fund.

The Company may not combine:

- investments in transferable securities or money market instruments issued by a single body and subject to the 35% limit by body mentioned in sub-paragraph (c); and/or
- investments in certain debt securities issued by the same body and subject to the 25% limit by body mentioned in sub-paragraph (e); and/or
- deposits made with the same body and subject to the 20% limit by body mentioned in sub-paragraph (h); and/or
- exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (i);

in excess of 35% of the net assets of any Sub-Fund.

Eligible Assets Issued by the Same Group

(m) Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single body for the purposes of calculating the investment limits mentioned in sub-paragraph (a), (b), (c), (e), (h), (i) and (l).

(n) The Company may cumulatively invest up to 20% of the net assets of any Sub-Fund in transferable securities and/or money market instruments within the same group.

Acquisition Limits by Issuer of Eligible Assets

(o) The Company will not:

- acquire shares carrying voting rights which would enable the Company to take legal or management control or to exercise significant influence over the management of the issuing body;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the non-voting shares of any issuer;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the debt securities of any issuer;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the money market instruments of any issuer;
- own in any one Sub-Fund or the Company as a whole, (i) more than 25% of the units of the same UCITS or other UCI or (ii) more than 25% of the units of any one sub-fund comprising the UCITS or other UCI with an umbrella structure.

The limits mentioned under third, fourth and fifth indents above may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of money market instruments or of UCITS/UCI or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above do not apply in respect of:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by any other Eligible State which is not a Member State;
- transferable securities and money market instruments issued or guaranteed by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of a State which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers of the State, (ii) pursuant to the law of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such Company observes in its investments policy the restrictions referred in this Prospectus;
- shares held by one or more investment companies in the capital of subsidiaries companies which, exclusively on its or their behalf carry on only the business of management, advice, or marketing in the country where the subsidiary is located, in regard to the redemption of units at the request of unitholders.

If the limits in paragraph 4.2 are exceeded for reasons beyond the control of the Company or as a result of redemption requests for Shares 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.

While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from the limits in paragraph 4.2 other than those mentioned in sub-paragraphs (i) and (n) for a period of six months following the date of their launch.

4.3 Liquid Assets

A Sub-Fund's holding of Cash and Cash Equivalents may comprise ancillary liquid assets which are bank deposits at sight, such as cash held in current accounts with a bank accessible at any time.

Ancillary liquid assets are used to cover current or exceptional payments or for the time necessary to reinvest in eligible assets under article 41(1) of the 2010 Law or for a period strictly necessary in case of unfavorable market conditions.

The holding of ancillary liquid is in principle limited to 20% of the net assets of a Sub-Fund but can be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require and where such breach is justified having regard to the best interests of shareholders.

4.4 Unauthorized Investments

The Company will not:

- (i) make investments in, or enter into transactions involving, precious metals and certificates involving these, commodities, commodities contracts, or certificates representing commodities;
- (ii) purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;

- (iii) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 4.1 (iv), (v) and (vii); provided that this restriction shall not prevent the Company from making deposits or carrying out other accounts in connection with financial derivative instruments, permitted within the limits referred to above; provided further that exposure resulting from financial derivative instruments may be covered as mentioned in sub-paragraph 4.2 (k);
- (iv) make loans to, or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction i) the acquisition of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 4.1 (iv), (v) and (vii), in fully or partly paid form and ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
- (v) borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund taken at market value, any such borrowing to be from a bank and to be effected only as a temporary measure for extraordinary purposes including the redemption of Shares. However, the Company may acquire for the account of any Sub-Fund foreign currency by way of a back-to-back loan.

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

4.5 Risk Management Procedure

In accordance with CSSF Regulation 10-4, CESR Guidelines 10-788 and CSSF Circular 11/512, the Management 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 will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

5. DIVIDEND POLICY

The Company offers, for each Sub-Fund, Shares in the form of:

- (i) accumulating Shares (A Shares) on which the Company shall not distribute any dividend and on which all net investment income and all net realized and unrealized capital gains will be accumulated and will increase the Net Asset Value of the accumulating Shares of the relevant Sub-Fund; and
- (ii) distributing Shares (D Shares) on which the Company shall distribute by way of dividends all or substantially all of the net investment income.

However, if the amount available for distribution is less than the equivalent of USD 0.05 per Share, no dividend will be declared and the amount will be carried forward to the next period. The Company may also distribute capital by way of dividend.

Dividends in respect of such Distributing Shares are payable annually out of the income accruing during the period from 1 October to 30 September. However, for certain Sub-Funds and at the discretion of the Directors, there may be, within the same class of Shares, (i) Shares with one annual dividend only and/or (ii) Shares with one or more interim dividends and/or (iii) Shares with a bespoke dividend policy dictated by consideration of inter alia certain tax legislations, regulations or local requirements of specific markets or investors-specific needs where the Sub-Fund is distributed.

To the extent that there is sufficient income available, annual dividends will normally be paid within two months of the end of the period to the holders of Distributing Shares on the record date determined by the Directors in respect of such period.

Interim dividends may be paid out on the Shares of any Sub-Fund or class of Shares upon decision of the Board.

Cash dividends remaining unclaimed on Distributing Shares five years after their declaration shall be forfeited and revert to the relevant Sub-Fund.

6. MANAGEMENT, INVESTMENT MANAGEMENT AND ADVICE

The Directors are responsible for the Company's management and control, including the determination of investment policy. They have appointed Lombard Odier Funds (Europe) S.A. as the management company of the Company. The Management Company is authorised to act as fund management company in accordance with Chapter 15 of the 2010 Law. The Management Company has appointed the Dirigeants listed in the "List of Parties and Addresses", to direct and coordinate the operations of the Company and has appointed or may appoint any of the Investment Managers listed in the "List of Parties and Addresses" and in paragraph 6.3 below to advise on investments and assume the day-to-day management of the investments of the Company.

6.1 Management Company and Domiciliary Agent

The Company has signed a management company agreement with the Management Company dated 1 June 2010 (the "Management Company Agreement"). Under this agreement, the Management Company was entrusted with the day-to-day management of the Company and with the responsibility to perform, directly or by way of delegation, all functions relating to the Company's investment management, administration and marketing, as well as distribution of the Company's shares. The Management Company will also act as domiciliary agent for the Company.

The Management Company was organised for an unlimited period as a société anonyme under the laws of the Grand Duchy of Luxembourg by a notarial deed dated 23 April 2010 which was published in the Mémorial on 20 May 2010. The latest amendments to the articles of incorporation of the Management Company came into force with effect as of 11 January 2019 and in the process of published in the RESA. The Management Company's registered and principal office is at 291, route d'Arlon, 1150 Luxembourg. It is registered on the R.C.S. Luxembourg under No. B-152.886.

The issued capital of the Management Company is two million eight hundred ten thousand two hundred five Euros (EUR 2,810,205.-), consisting of three thousand one hundred and seventy (3,170) shares in registered form with a nominal value of eight hundred eighty six point fifty Euros (EUR 886.50.-), per share, all of which are fully paid up.

The Management Company is an indirectly wholly-owned subsidiary of Compagnie Lombard Odier SCmA ("the SCmA").

The purpose of the Management Company is the creation, the promotion, the administration, the management and the marketing of Luxembourg and foreign UCITS, alternative investment funds ("AIFs") within the meaning of the Luxembourg law of 12 July 2013 on alternative investment funds managers ("AIFM"), as may be amended from time to time (the "AIFM Law") and other regulated funds, collective investment vehicles or other investment vehicles. More generally the Management Company may carry out any activities connected with the services it provides to investment vehicles to the furthest extent permitted by the 2010 Law, the AIFM Law and any other applicable laws and regulations.

The Management Company may carry out any activities connected directly or indirectly to, and/or deemed useful and/or necessary for the accomplishment of its object, remaining, however, within the limitations set forth in, but to the furthest extent permitted by, the provisions of the 2010 Law, the AIFM Law and any other applicable laws and regulations. The Management Company is authorised by the CSSF as a management company under Chapter 15 of the 2010 Law and as an AIFM under Chapter 2 of the AIFM Law.

Pursuant to article 111 of the 2010 Law, in the conduct of its business activities, the Management Company shall, at all times, by virtue of rules of conduct:

- a) act honestly and fairly in conducting its business activities in the best interests of the UCITS it manages and the integrity of the market,
- b) act with due skill, care and diligence, in the best interests of the UCITS it manages and the integrity of the market,
- c) have and employ efficiently the resources and procedures that are necessary for the proper performance of its business activities,
- d) try to avoid conflicts of interest and, when they cannot be avoided, ensure that the UCITS it manages are fairly treated, and
- e) comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of its investors and the integrity of the market.

The Management Company adopted a remuneration policy which is applicable to its employees (the "Employees") and directors in accordance with applicable laws and regulations pertaining to remuneration, in particular the Luxembourg law dated 12 July 2013 on alternative investment fund managers, the 2010 Law, SFDR and any applicable ESMA guidelines. The remuneration policy aims to protect the interests of the investors as well as the Management Company's and the Lombard Odier Group's long-term financial sustainability and compliance with regulatory obligations. The remuneration policy seeks to promote effective risk management and to prevent excessive risk-taking, including with respect to sustainability risks. The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the funds it manages, including the Company, or the investors of such funds and includes measures to avoid conflicts of interest. The total remuneration of Employees consists of two components, the fixed remuneration and the variable remuneration. Fixed remuneration and variable remuneration are appropriately balanced and the fixed component of the

remuneration represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration, including the possibility to pay no variable remuneration. The performance objectives of each Employee are reviewed on an annual basis. The annual review lays down the basis for the determination of variable remuneration and possible increase in fixed remuneration. Performance criteria include a comprehensive adjustment mechanism to integrate all relevant types of current and future risks, including sustainability risks. Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit and of the overall results of the Lombard Odier Group, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on longer term performance of the funds it manages and its investment risks and that the actual payment of variable remuneration is spread over the same respective periods.

Variable remuneration is only paid out of risk adjusted profits or from sources which will not undermine the capital base of the Management Company or expose it to any risk in respect of its future capital commitments. The details of the up-to-date remuneration policy, including information on how the remuneration policy is consistent with the integration of sustainability risks, are available on the Lombard Odier Group website (www.loim.com). Investors may obtain, free of charge, from the Company, on written request sent to its registered office, a paper copy of the details of the Remuneration Policy.

6.2 Dirigeants of the Management Company

The board of the Management Company has, with the approval of the directors, granted a mandate to the Dirigeants mentioned under "List of Parties and Addresses" in order to supervise and coordinate the activities of the Company, in compliance with the provisions of the CSSF Regulation 10-4, CSSF Circular 11/512, CSSF Circular 18/698. The Dirigeants shall supervise and coordinate the functions delegated to the different service providers and shall ensure that an appropriate risk management method is applied to the Company.

6.3 Investment Manager

The Management Company has appointed or may appoint, with the agreement of the Board, the following Investment Managers pursuant to several Investment Management Agreements to provide day-to-day discretionary investment management services for the Sub-Funds, subject to the direction of the Management Company and supervision of the Board. Several Investment Managers may be appointed for the same Sub-Fund. With respect to Investment Managers listed below that are part of the Lombard Odier Group, it should be noted that all or some of them may be managing one or more Sub-Funds at the date of issue of this Prospectus and that the allocation of Sub-Funds may evolve overtime.

Information regarding the allocation of Sub-Funds to each Investment Manager is published in the annual and semi-annual reports. Investors may receive from the Company, on written request, an up-dated list of the Investment Managers. Subject to the prior approval of the Management Company and without prejudice to the responsibility of the Investment Manager, (i) any LO entity listed below ("LO Entity") and acting as investment manager for a given Sub-Fund may be assisted by one or more employees of another LO Entity and (ii) the Investment Manager may appoint sub-investment managers and/or investment advisers with no discretionary asset management power.

Lombard Odier Asset Management (Europe) Limited, is a wholly-owned subsidiary of the SCmA and was incorporated in London in 2009. It is authorized and regulated by the Financial Conduct Authority in the United Kingdom and manages equity and fixed interest portfolios for institutional clients worldwide.

Lombard Odier Asset Management (Switzerland) SA, is an indirectly wholly-owned subsidiary of the SCmA and was incorporated in Geneva in 1972. It is regulated by the Swiss Financial Markets Supervisory Authority ("FINMA") as a fund management company.

Lombard Odier Funds (Europe) S.A. – Dutch Branch, is a branch of the Management Company established in the Netherlands and is authorized to perform portfolio management activities on behalf of UCITS funds.

Lombard Odier (Hong Kong) Limited, an indirectly wholly-owned subsidiary of the SCmA, was incorporated in Hong Kong on 7 July 1987 and is supervised by the Securities and Futures Commission (SFC). It has many years of experience in researching the economies of Asian countries and in managing mutual funds invested in these markets.

Lombard Odier (Singapore) Ltd, an indirectly wholly-owned subsidiary of the SCmA, was incorporated in Singapore on 14 December 2006. It is regulated by the Monetary Authority of Singapore (MAS) and provides investment services to institutional and private investors.

6.4 Co-management

In order to reduce operational and administrative charges whilst allowing a wider diversification of the investments, the Board may decide that part or all of the assets of any Sub-Fund will be co-managed with assets belonging to other Luxembourg collective investment schemes or that part or all of the Sub-Funds will be co-managed among themselves. In the following paragraphs, the words "co-managed

Entities" shall refer to any Sub-Fund and all entities with and between which there exists any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed Entities which are managed pursuant to the same co-management arrangements.

Under the co-management arrangement, the Management Company and the Investment Managers will be entitled to take, on a consolidated basis for the relevant co-managed Entities, investment and disinvestment decisions which will influence the composition of the Sub-Funds. Each co-managed Entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed Entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed Entity.

In case of new subscriptions in one of the co-managed Entities, the subscription proceeds shall be allotted to the co-managed Entities pursuant to the modified proportions resulting from the net asset increase of the co-managed Entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed Entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed Entities, the cash required may be levied on the cash held by the co-managed Entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed Entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Board or its appointed agents, the co-management arrangement may cause the composition of assets of a Sub-Fund to be influenced by events attributable to other co-managed Entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which any Sub-Fund is co-managed will lead to an increase of this Sub-Fund's reserve of cash. Conversely, redemptions made in one entity with which any Sub-Fund is co-managed will lead to reduction of this Sub-Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed Entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Board or its appointed agents to decide at any time to terminate a Sub-Fund's participation in the co-management arrangement permit this Sub-Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the Sub-Fund and of its shareholders.

If a modification of the composition of a Sub-Fund resulting from redemptions or payments of charges and expenses peculiar to another co-managed Entity (i.e. not attributable to such Sub-Fund) is likely to result in a breach of the investment restrictions applicable to this Sub-Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

In order to assure that investment decisions are fully compatible with the investment policy of the Sub-Fund, co-managed Assets of any Sub-Fund shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets of such Sub-Fund. Co-managed Assets of any Sub-Fund shall only be co-managed with assets for which the Depositary also acts as depository in order to assure that the Depositary is able, with respect to such Sub-Fund, to fully carry out its functions and responsibilities pursuant to the 2010 Law. The Depositary shall at all times keep the Sub-Funds' assets segregated from the assets of other co-managed Entities, and shall therefore be able at all times to identify the assets of the Sub-Funds. Since co-managed Entities may have investment policies which are not strictly identical to the investment policy of one of the Sub-Funds, it is possible that the common policy implemented may be more restrictive than that of the Sub-Fund.

The Dirigeants or the Board may decide at any time and without notice to terminate a co-management arrangement.

Shareholders may at all times enquire at the registered office of the Company as to the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request.

Co-management arrangements with non-Luxembourg entities shall be authorized provided that (1) the co-management agreement to which the non-Luxembourg entity is a party is subject to Luxembourg law and the jurisdiction of the Luxembourg courts, or that (2) the rights of each co-managed Entity concerned are established in such a way that no creditor, liquidator or bankruptcy curator of the non-Luxembourg entity concerned has access to the assets of the Sub-Funds or has the right to freeze them.

7. DEPOSITARY

The Company has, by an agreement effective as of 18 March 2016 (the "Depositary Agreement"), appointed CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310, as Depositary of the assets of the Company. The Depositary is the Luxembourg branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 89-91 rue Gabriel Péri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. 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.

The Depositary Agreement has been entered into for an unlimited period of time and may be terminated by the Company subject to a three (3) month prior notice or by the Depositary subject to a six (6) months prior notice. The Depositary will continue to hold the Company's assets until a replacing depositary is appointed.

In its function as depositary, the Depositary shall perform the duties resulting from the UCITS Rules.

The principal duties of the Depositary, as depositary, are as follows:

- (a) the safe-keeping of the assets of the Company that can be held in custody (the "Financial Instruments") including:
 - (i) financial instruments and shares or units of collective investment funds registered or held in an account directly or indirectly in the name of the Depositary or a third party or a correspondent to whom custody functions are delegated, notably at the level of the central securities depositary; and
 - (ii) financial instruments which are provided as collateral to a third party or are provided by a third party for the benefit of the Company, as long as they are owned by the Company;
- (b) the record-keeping of assets that cannot be held in custody in respect of which the Depositary must verify their ownership;
- (c) to ensure that the Company's cash flows are properly monitored, and in particular to ensure that all payments made by or on behalf of investors upon the subscription of Shares in a Sub-Fund have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;
- (d) to ensure that the issue, redemption and conversion of Shares of a Sub-Fund are carried out in accordance with Luxembourg applicable laws and the Articles;
- (e) to ensure that the value of the Shares of a Sub-Fund is calculated in accordance with the UCITS Rules and the Articles;
- (f) to carry out the instructions of the Company, unless they conflict with Luxembourg applicable laws or the Articles;
- (g) to ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (h) to ensure that the Company's income is applied in accordance with the UCITS Rules and the Articles.

In relation to the Depositary's safe-keeping duties of financial instruments referred to under (a) above, the Depositary is liable to the Company or the shareholders for any loss of such Financial Instruments held by the Depositary or any delegate.

In relation to the other depositary's duties, the Depositary is liable to the Company or the shareholders for all other losses suffered by it or them as a result of the Depositary's negligent or intentional failure to properly fulfil such obligations.

Investors are invited to consult the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary acting as depositary. Investors' particular attention is drawn to chapter IX of the Depositary Agreement.

The Depositary is authorized to delegate its safekeeping duties under Luxembourg Law to sub-custodians and to open accounts with such sub-custodians.

A list of these sub-custodians is available on the website of the Depositary (www.caceis.com, section "Regulatory Environment"). Such list may be updated from time to time. A complete list of all sub-custodians may be obtained, free of charge and upon request, from the Depositary.

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.

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.

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 Depositary has neither 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.

Up-to-date information regarding the above is available upon request at the registered office of the Company.

8. CENTRAL ADMINISTRATION, REGISTRAR, TRANSFER AGENT, PAYING AGENT AND LISTING AGENT

The Management Company has, under an agreement ("Administrative Agency, Registrar and Transfer Agency, Listing Agency and Paying Agency Agreements" or shortly "Central Administration Agreement") appointed CACEIS Bank, Luxembourg Branch to act for the Company in Luxembourg as central administration, registrar, transfer, paying and listing agent (the "Central Administration Agent"). The Central Administration Agent is the Luxembourg branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 89-91 rue Gabriel Péri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. 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.

By way of an adherence and amendment agreement, the Management Company has become a party to the Central Administration Agreement.

The Central Administration Agent may delegate part or all of its functions to a third party service provider, under its responsibility.

This agreement may be terminated by either party giving 3 months' prior notice.

9. INDEPENDENT AUDITORS AND LEGAL ADVISERS

PricewaterhouseCoopers, société coopérative, Réviseur d'entreprises, 2, rue Gerhard Mercator, BP 1443, 1014 Luxembourg, Grand Duchy of Luxembourg shall act as the Independent Auditors of the Company.

The Company's legal advisers are Elvinger, Hoss & Prussen, 2, place Winston Churchill, 1340 Luxembourg, Grand Duchy of Luxembourg.

EHP has been appointed to act as legal counsel to the Company with respect to Luxembourg law. No independent legal counsel has been retained to represent the individual Shareholders.

EHP's representation of the Company, is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the Company, the Management Company, the Investment Managers and/or any of their affiliates upon which EHP has not been consulted. EHP does not undertake to monitor the compliance of the Company, the Management Company or the Investment Managers with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally EHP relies upon information furnished to it by the Company, the Management Company and/or the Investment Managers, and does not investigate or verify the accuracy and completeness of information set out herein concerning the Company, the Management Company, the Investment Managers, or other service providers or their affiliates and personnel.

10. CHARGES AND EXPENSES

10.1 Initial Charge

On subscriptions for Shares of any Sub-Fund (except R and E Shares as mentioned below), the Directors have determined that an Initial Charge not exceeding 5% of the Issue Price may be payable to the Global Distributor or any Distributor in remuneration of their services, including but not limited to, (i) the handling and transmission of subscription orders to the Central Administration Agent, (ii) the settlement of subscription orders, (iii) the transmission of the relevant legal and marketing documents, at the request of investors, (iv) the controls of minimum investment amount requirements and other eligibility criteria applicable to each Sub-Fund, respectively each class of Shares, and (v) the processing of corporate actions.

For the R Shares of any Sub-Fund, the Initial Charge will not exceed 3% of the Issue Price.

No initial charge will be charged to E Shares.

10.2 Redemption Charge

There is no redemption charge payable on redemption.

10.3 Conversion Charge

On conversions between the different Sub-Funds the Directors have determined that the Global Distributor or any Distributor may levy a conversion charge of up to 0.50% of the value of the Shares being converted in remuneration of the services mentioned under paragraph 10.1 above in relation to conversion. No charges will be levied in respect of shareholders wishing to change the class of their Shares within the same Sub-Fund.

No conversion charge will be applied to E Shares.

10.4 Dealing Charge

Usual Dealing Charges

In addition to the charges mentioned above, the Issue and Redemption Prices of the Shares of any Sub-Fund may be increased, respectively reduced by a Dealing Charge levied by the Company in favour of the relevant Sub-Fund, in order to mitigate the effect of portfolio transactions costs resulting from subscriptions or redemptions. In case of conversion between Sub-Funds (but not between classes of Shares within the same Sub-Fund), two Dealing Charges will be levied by the Company, the first in favour of the original Sub-Fund and the second in favour of the new Sub-Fund. The Dealing Charges, applicable at the discretion of the Directors will not exceed 3% of the value of the relevant Shares.

When the Directors decide to make a Dilution Adjustment, as defined in paragraph 15.1, no usual Dealing Charge will be levied on the Shares nor will any class of Shares be subject to the Swing Pricing.

10.5 Annual Charges

10.5.1 Management Fee and Distribution Fee

Management Fee

For the R, P, I, J, M and N classes of Shares, the Management Company is entitled to a Management Fee calculated and accrued at each Valuation Day by reference to the Net Asset Value of the relevant classes of Shares and Sub-Funds and payable monthly in arrears. No Management Fee is payable on the S and E classes of Shares. Investors willing to subscribe S Shares have to enter into a remuneration agreement with the Company, the Management Company or any other entity of the Lombard Odier Group. Invoices issued by the Management Company to the Company, according to the provisions of the Management Company Agreement (see Section 6), will be paid directly by such Institutional Investor.

The Management Fee payable to the Management Company for its services in respect of the different classes of each Sub-Fund can be found in Annex A.

The investment advisory fees are borne by the Investment Managers.

In respect of R, P, I, J, M and N classes of Shares, the Management Company pays the following fees out of the Management Fee:

- the investment management fee payable to the Investment Managers;
- fees in relation to sales and marketing activities, services to investors such as client relationship management services and services for the acquisition and disposal of Shares; and
- if applicable, rebates.

Distribution Fee

For the services provided in the promotion of the Company's shares, described in Section 11, the Global Distributor or the Distributor is entitled to a Distribution Fee calculated and accrued at each Valuation Day by reference to the Net Asset Value of the P and R classes of Shares of the relevant Sub-Funds and payable monthly in arrears. No Distribution Fee is payable on other classes of Shares.

The Global Distributor or the Distributor may, from time to time, rebate to local sub-distributors, sales agents, introducing brokers or to shareholders a portion or all of the fees, in accordance with all applicable laws.

The maximum Distribution Fee payable to the Global Distributor and the Distributor for its services in respect of the P and R classes of Shares of each Sub-Fund are indicated in Annex A (the "Maximum Distribution Fee").

The Distribution Fee effectively paid to the Global Distributor or the Distributor for its services in respect of the P and R classes of Shares of each Sub-Fund cannot exceed the Maximum Distribution Fee (the "Effective Distribution Fee"). The Effective Distribution Fee is disclosed in the semi-annual and annual reports.

In the event that the amount of the actual Distribution Fee exceeds the Effective Distribution Fee in respect of the P or R class of Shares of any Sub-Fund, the Management Company bears the excess amount. Conversely, should the actual Distribution Fee be lower than the Effective Distribution Fee in respect of the P or R class of Shares of any Sub-Fund, the Management Company is entitled to retain such difference.

10.5.2 Performance Fee

It is not intended that a Performance Fee should be payable on the Shares. The present section will be amended in case a Performance Fee should be paid to the Management Company.

10.5.3 Licence Fee in relation to certain proprietary indices strategies

The Commodity Swap strategy (see paragraph 3.3.1), respectively the Backwardation Swap strategy (see paragraph 3.3.2) are strategies whereby a Sub-Fund and the swap counterparties (the "Swap Counterparties") agree to exchange all or part of the subscription monies against the performance of certain indices which are proprietary indices created, maintained or advised by Lombard Odier Asset Management (Switzerland) SA (the "Index" or "Indices").

By virtue of licence agreements concluded between Lombard Odier Asset Management (Switzerland) SA and each of the Swap Counterparties, the latter is granted the right to offer swap products with payouts linked to the performance of the relevant Index to other entities of the Lombard Odier Group or third entities subject to the payment of a fee (the "Licence Fee").

In the event that any Investment Manager or Sub-Investment Manager other than Lombard Odier Asset Management (Switzerland) SA implements for a given Sub-Fund either the Commodity Swap strategy or the Backwardation Swap strategy, the Licence Fee shall be paid by such Sub-Fund to the Swap Counterparties who will ultimately remit to Lombard Odier Asset Management (Switzerland) SA the Licence Fee.

10.5.4 Depositary, Central Administration Agent fees, operational costs and other fees

10.5.4.1 Depositary, Central Administration Agent fees and operational costs

The Company pays monthly in arrears to the Depositary and to the Central Administration Agent customary fees as set forth in the Depositary Agreement and the Central Administration Agreement and varying in function of the instruments (class of assets) and zone of investments or size of the Sub-Funds, calculated by reference to the Net Asset Value of each Share class with a minimum annual fee of USD 20,000 (or the equivalent in EUR) per Sub-Fund.

The Company bears its other operational costs including, but not limited to, Domicile, Registrar and Transfer Agent fees, government charges, fees of its legal and tax advisers in Luxembourg and abroad, any expenses incurred in connection with the use of any license it may need, auditing fees, interest, investment and performance reporting expenses, costs related to the registration and maintaining the registration in foreign jurisdictions (including translation costs and remuneration of foreign representatives, including local paying agents), costs related to distribution of Shares through local clearing systems when according to local practice such costs are supported by the Company, fees of any other services providers to the Company, fees of any officers appointed by the Company, publication of offering/redemption prices, distribution of interim and annual reports, postage, telephone and telex, etc. All Company expenses are apportioned pro rata across each Sub-Fund, except when specific to a Sub-Fund, and substantial expenses are accrued daily in each Net Asset Value.

The estimated maximum amount for the fees and costs under this section 10.5.4.1 is indicated in the Sub-Funds' annex. The effective amount for such fees and costs is disclosed in the Company's financial reports.

10.5.4.2 Other fees

In addition, each Sub-Fund bears the transaction costs and other related costs as further described below.

Transaction costs cover all costs related to (i) the purchase and sale of securities or instruments on behalf of the relevant Sub-Funds, including, but not limited to, brokerage fees, clearing fees, exchange fees and transaction taxes (including stamp duty) and (ii) the trade management process which includes, but is not limited to, the matching of all orders executed on behalf of the relevant Sub-Funds and the respective settlement instructions.

Other related costs cover inter alia those arising from:

- position keeping and reconciliation of all positions and cash balances between the records of the relevant custodian bank, brokers and clearers and the information available in the front office systems (i. e. portfolio management and order management systems) of the relevant Investment Managers;
- valuation (including independent valuation of OTC derivatives);
- collateral management (including margin calls for listed derivatives);
- management and processing of corporate actions;
- reporting of derivatives transactions / positions to the relevant trade repositories under the applicable reporting regime;
- the duplication of NAV calculation by third party providers for oversight control;
- periodic charges related to research as mentioned in paragraph 10.5.5 below.

The costs and expenses for the creation of any additional Sub-Fund, including fees and expenses of its legal and tax advisers in Luxembourg and abroad, will be borne by relevant the Sub-Fund and amortised over a period of up to five years.

Subject to the limitations mentioned in Paragraph 4.1 (v), where a Sub-Fund invests in a UCITS or UCI or a Target Sub-Fund, the investment in the underlying funds may result in a double charging of fees and expenses, in particular a duplication of the fees payable to the depositary(ies), transfer agent(s), Investment Manager(s) and other agents and, with exception of investments in a Target Sub-Fund, also subscription and redemption charges, which are generated both at the level of the Sub-Fund and of the underlying funds in which the Company invests. The maximum level of the management fee that may be charged both to the Sub-Fund and to such other UCITS or UCI or Target Sub-Fund is disclosed in Annex A.

10.5.5 Research Commissions and Charges

Subject to compliance by Investment Managers with applicable laws and regulations (and in particular for those Investment Managers located in the European Union, subject to compliance with MiFID II), Investment Managers and their delegates and affiliated persons may receive investment research from brokers, dealers and other third parties in connection with the management of a Sub-Fund which may be funded from either (i) transaction commissions ultimately borne by a Sub-Fund pursuant to soft commission, commission sharing and/or research charge collection arrangements with brokers, dealers and other third parties (collectively referred to as "Research Commission Arrangements"); or (ii) periodic charges made to a Sub-Fund by the Investment Manager at rates to be

agreed by the Company and charged as other fees to the relevant Sub-Fund in accordance with paragraph 10.5.4. Where permitted by and subject to applicable laws and regulations, Investment Managers outside the European Union may receive research that is bundled with the trade execution services provided by a particular broker or dealer.

Investment Managers will provide reports to the Management Company with respect to the use of Research Commission Arrangements and will act at all times in the best interest of the Company, the Management Company and each relevant Sub-Fund when entering into Research Commission Arrangements or otherwise receiving research which is funded directly or indirectly by a Sub-Fund.

10.6 Total Expense Ratio

The costs and commissions charged on the management of each Sub-Fund will be disclosed using the internationally recognized Total Expense Ratio (TER). The TER is calculated twice a year by dividing the total operating costs and commissions, excluding securities transaction costs (brokerage), charged on an ongoing basis to the Sub-Fund's assets by the average assets of such Sub-Fund.

The TER for the Sub-Funds will be included in the semi-annual and annual reports.

11. DISTRIBUTION OF SHARES

The Company has entered into a Management Company Agreement with Lombard Odier Funds (Europe) S.A. whereby Lombard Odier Funds (Europe) S.A. is entrusted with the marketing and distribution of the Shares on a worldwide basis (the "Global Distributor"). The Global Distributor provides services in relation to the promotion of the Company's Shares to other financial intermediaries.

In the event that the Shares are marketed in foreign jurisdictions, the Company and/or the Global Distributor may enter into agreements with distributors, placement agents and other sales agents (the "Distributors") for the marketing and the sale of the Shares of the Company in certain OECD countries, in accordance with all applicable laws. The Global Distributor and the Distributors shall be entitled to receive the fees described under paragraphs 10.1 and 10.3 above and they may decide to rebate, from time to time, a portion or all of such fees to sub-distributors or shareholders, in accordance with all applicable laws.

For the purpose of assisting in the distribution of the Shares, the Company may decide to accept subscriptions, conversions or other orders of nominees ("Nominees") in the countries in which the Company is registered. The Nominee, and not the clients who have invested in the Company, shall be recorded in the register of shareholders and shall fall under one of the FATCA category compatible with the Company's FATCA status as "Collective Investment Vehicle" as explained in paragraph 12.2. The Nominees shall notify the Transfer Agent and either the Management Company or the Company as soon as possible in case their FATCA status changes, and in any case within 30 days of such change in a manner agreed between the Company and the Nominee.

In accordance with IML Circular 91/75, the conditions whereby:

- (i) the agreements with the Nominees shall stipulate that the client, who has invested in the Company via a Nominee, may at all times require that the Shares subscribed be transferred to his/her name in the register of shareholders; and
- (ii) investors may subscribe for Shares by applying directly to the Company without having to act through one of the Nominees;

are not applicable in the context of the Company's election for the "Collective Investment Vehicle" status under FATCA to the extent that the use of the services of a Nominee qualifying as a "participating financial institution" under FATCA is indispensable for the Company to comply with the regulatory and compelling practical reasons deriving from FATCA. However, the conditions under (i) and (ii) above may be applicable as long as the investor qualifies as an investor falling within a category of investors compatible with the Company's FATCA status of "Collective Investment Undertaking" as further detailed in paragraph 12.2.

Full details of the terms and conditions of the nominee service (if any) can be obtained from the Central Administration Agent and the local representatives (if any). Investors wishing to use the nominee service should provide the nominee with a correspondence address.

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

12. ISSUE AND SALE OF SHARES

12.1 General Provisions

Shares shall be issued at the Issue Price.

The Issue Price shall be the Net Asset Value per Share for the relevant Sub-Fund calculated in the manner set out in paragraph 15.1. On subscription of Shares of any class (except E), the Issue Price may be increased by the Initial Charge and for certain Sub-Funds (as mentioned in Annex A of a given Sub-Fund) by a Dealing Charge.

The latest Issue Prices are made public at the registered office of the Company.

The Issue Price shall be expressed in the Reference Currency and in the relevant Alternative Currency, in the case of Shares issued in an Alternative Currency, of the relevant Sub-Fund determined on each Valuation Day by the Central Administration Agent.

Shares can be subscribed in accordance with the Application Procedure set out in Section 20.

Applications may be sent directly to the Company in Luxembourg. Investors may place orders for Shares with the Global Distributor or Distributors.

The Board may waive the initial minimum investment and minimum holding for all classes of Shares to the extent permissible by law and regulation.

Requests for subscriptions must be received by the Company no later than the Cut-off time, as set out in the table in Annex A in relation to a given Sub-Fund. All deals will be effected on a forward pricing basis.

Applications may be sent to the Global Distributor or the Distributor, who shall in such case transmit the substantive content thereof to the Company, or may be sent directly to the Company in Luxembourg. Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in the case of classes issued in an Alternative Currency, for value the Payment date (as determined in Annex A in relation to a given Sub-Fund) to the Depository, indicating the proper identity of the subscribers(s) and the relevant Sub-Fund(s) in which Shares are subscribed.

Requests for subscriptions received after the Cut-off time will be deferred to the next following Business Day.

Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the subscription orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and the Distributors.

The Issue Price may, upon approval of the Board, and subject to all applicable laws, namely with respect to a special audit report confirming the value of any assets contributed in kind, be paid by contributing to the Company securities acceptable to the Board, consistent with the investment policy and investment restrictions of the Company. The cost of such report is borne by the shareholder requesting the subscription in kind.

For each Share class, the minimum initial investment and minimum holding amounts and the minimum subsequent subscription are disclosed in Annex A. Investments in a given Share class are subject to the conditions mentioned in paragraph 2.2 and Annex A in relation to a given Sub-Fund. In addition, the Company may refuse applications to invest in a given Share class as long as all the investors do not comply with the eligibility criteria.

Also the Company may request from investors subscribing in Shares subject to investor eligibility criteria the provision of all documents or information evidencing that they meet the relevant criteria to invest in such classes of Shares. In addition, the Company may refuse applications to invest in Shares as long as all the required information and documents above mentioned are not in its possession or for any other appropriate reasons.

Confirmation advices will be sent to shareholders the next Business Day following execution of the subscription order or, where the confirmation is received by the Management Company from a third party, the first Business Day following receipt of the confirmation from the third party. Registered Share Certificates are only issued at the request of shareholders. The cost relating to the issue of Registered Share Certificates will be borne by the requesting shareholders.

Registered Share Certificates (if specifically requested by investors) shall be sent to the subscribers within 30 days of the relevant Valuation Day.

The Company may restrict or prevent direct or indirect holding of Shares or the ownership of Shares by any person or group of persons, firm or corporate body, namely by (a) any person in breach of any law or requirement of any country or governmental or regulatory authority or (b) any person in circumstances which in the opinion of the Board might result in the Company incurring any breach or non-compliance with a given regulatory status or liability to taxation (including inter alia regulatory or tax liabilities that might derive inter alia from the requirements of FATCA or CRS or any similar provision or any breach thereof or other disadvantage which it would not otherwise have incurred or suffered (including a requirement to register under any securities or investment or similar laws or requirements of any country or authority) or (c) any person whose shareholding concentration could, in the opinion of the Board, jeopardise the liquidity of the Company or any of its Sub-Funds. The manner in which the Company may restrict the direct or indirect ownership of Shares in the Company by any person or group of persons, firm or corporate body, is described under the Articles.

The Board may also impose restrictions on the issuance of Shares of any Sub-Fund (also resulting from conversion requests) during any period, as determined by the Board.

The Company reserves the right to reject any application in whole or in part, in which event the application monies or the balance thereof will be returned forthwith to the applicant. The Company does not permit practices related to market timing and reserves the right to reject subscription and conversion into orders from investors who the Company suspects of using such practices and to take the appropriate measures to protect other investors of the Company.

The applicable Cut-Off time, Valuation Day and Payment Date are set out in Annex A in relation to a given Sub-Fund.

12.2 Restrictions applicable to the issue and the holding of Shares in accordance with the Company's FATCA status

Please also refer to paragraph "Regulatory Risks – United States of America" in the Risk Factors Annex for further details on FATCA.

The Company, through its Sub-Funds, qualifies as a FFI for FATCA purposes.

According to FATCA and the model 1 IGA entered into between the US and the Grand Duchy of Luxembourg, a FFI can qualify as either a "reporting" FFI or a "non-reporting" FFI.

Annex II of the IGA specifies the legal entities that can qualify as "non-reporting" FFIs on the grounds that such FFIs are deemed to pose a low risk of being used for the purposes of US tax evasion.

With a view to ensuring FATCA compliance and avoiding any punitive withholding tax (FATCA Withholding) on certain US source payments to the Company, the Sub-Funds or the shareholders, the Company has elected for a non-reporting status under the "Collective Investment Vehicle" category provided for by Annex II of the IGA.

The "Collective Investment Vehicle" status provided by Annex II of the IGA is applicable to the Company as well as every Sub-Fund. Any document evidencing the FATCA status of the Company shall be deemed to evidence as well that of every Sub-Fund.

A "Collective Investment Vehicle" status is available to investment entities (as defined by IGA) established in Luxembourg regulated as a collective investment vehicles provided that all of their interests (including shares) are held by or through:

- one or more exempt beneficial owners (as defined under FATCA and the IGA);
- Active Non-Financial Foreign Entities ("Active NFFEs", as described in the Annex I of the IGA);
- U.S. persons which are not Specified US Persons (as defined under FATCA); or
- financial institutions that are not Nonparticipating Financial Institutions for FATCA purposes (as defined under FATCA).

The Company will make all reasonable efforts to fulfill the above requirements in order to comply with the "Collective Investment Vehicle" status under FATCA. Accordingly, (i) the Board shall have the right to reject any application by an investor that does not fall within one of the categories mentioned above; (ii) in order to maintain the Company's "Collective Investment Vehicle" FATCA status, investors shall only subscribe for and hold Shares through a financial institution falling under one of the categories mentioned above; (iii) the Board shall have the right to make proposals, including the compulsory redemption of Shares, to existing shareholders whose holding of Shares is not in compliance or became non-compliant with the above-mentioned rules in order to take necessary steps to render their holding compliant with the Company's FATCA status; and more generally (iv) the Board shall have the right to compulsorily redeem shares of any shareholder whose holding of the Shares is not in compliance with the abovementioned rules, in accordance with the Articles.

As a result, the Company shall have no direct individual investors in its register of shareholders, other than entities falling within one of the categories above. The shareholders in the register of shareholders shall notify the Transfer Agent and either the Management Company or the Company (in a manner agreed between the Company and the shareholders) if their FATCA status changes (see below paragraph 13.1 for further detail on a "change of circumstances"). Such notification should be made as soon as practicable and no later than 30 days of such change.

Investors should also refer to Section 11 of this Prospectus for more information about the rights of investors holding Shares through an intermediary or a nominee.

Investors may contact the Company, the Global Distributor or Distributors for more information about how to apply for the Shares in the context of FATCA.

13. REDEMPTION OF SHARES

13.1 General Provisions

Shares shall be redeemed at the Redemption Price.

The Redemption Price shall be the Net Asset Value per Share calculated in the manner set out in paragraph 15.1, reduced in the case of certain Sub-Funds (as mentioned in Annex A of a given Sub-Fund) by a Dealing Charge.

The latest Redemption Prices are made public at the registered office of the Company.

Shareholders' requests for redemption of Shares must be made to the Company in writing or by telex or facsimile, confirmed in writing by no later than the relevant Cut-off time. A request duly made shall be irrevocable, except in case of and during any period of suspension or deferment of redemptions. In all other cases, the Board may approve the withdrawal of a redemption request.

In compliance with the forward pricing principle, requests for redemption received after the Cut-off time will be deferred to the next following Business Day. Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the redemption orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and Distributors.

In case the residual value of given Shares held by an investor in a Sub-Fund falls below the minimum holding amount applicable to such Shares as mentioned in Annex A in relation to a given Sub-Fund following a redemption request, the Company may redeem the remaining holding of the investor in the relevant Sub-Fund or may take the measures indicated under Conversion of Shares (Section 14).

Should the situation arise where Shares are held by a shareholder whose quality is deemed incompatible with the Company's FATCA status as "Collective Investment Vehicle" for the purpose of ensuring compliance with FATCA legislation, the Board shall have discretion to redeem such Shares in accordance with the Prospectus and the Articles.

Similarly, if there is a change of circumstances whereby a shareholder whose quality under FATCA legislation was previously deemed compatible with the Company's FATCA status as "Collective Investment Vehicle" becomes no longer eligible to hold Shares, such shareholder shall notify the Transfer Agent and either the Company or the Management Company as soon as practicable and no later than 30 days of such change. A change of circumstances is to be construed broadly so as to mean any event or situation where it appears that the Company can no longer rely on the documentation, declaration, representation or information (from the shareholder or from public sources) previously relied upon in the context of FATCA compliance. Once notified or becoming aware of such change of circumstances, the Board shall have discretion to redeem the Shares in accordance with the Prospectus and the Articles in case it appears that the non-compliance status of the shareholder will not be cured, or is unlikely to be cured, within a reasonable time frame decided discretionarily by the Board, so as to fulfill at all times the requirements relating the Company's status as "Collective Investment Vehicle" under FATCA.

The value of Shares at the time of their redemption may be more or less than the shareholder's cost, depending on the market values of the assets held by the Sub-Fund at such time. The value of Shares issued of a class with an Alternative Currency will also largely depend on the currency fluctuation of the Alternative Currency towards the Reference Currency of the Sub-Fund as well as on the hedging policy used to cover this exchange risk.

At the shareholders' request, the Company may elect to make an in kind distribution, having due regard to all applicable laws and regulations and to all shareholders' interest. Such in kind distribution will be subject to a special audit report confirming the value of any assets distributed and the cost of such report is borne by the shareholder.

Shares shall be cancelled upon their redemption by the Company.

Payments will ordinarily be made in the Reference Currency within the time limit mentioned under Payment Date, or on the date the Share Certificate(s) (if issued) have been returned to the Company, if later. For Shares issued of a class with an Alternative Currency, payments of redemption proceeds will ordinarily be made in such currency.

Receipt of the sale proceeds by the Company may, however, be delayed and the amount ultimately received may not necessarily reflect the Net Asset Value calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (see the Risk Factors Annex).

If in exceptional circumstances the liquidity of the portfolio of assets maintained in respect of the Sub-Fund the Shares of which are being redeemed is not sufficient to enable the payment to be made within such a period, such payment shall be made as soon as reasonably thereafter, but without interest.

Payment of redemptions 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 either to obtain payment for the sale or disposal of a Sub-Fund's assets or to transfer the redemption proceeds to the country where the redemption was requested.

Confirmation of the execution of a redemption order will be sent to the shareholder on the next Business Day following execution of the redemption order or, where the confirmation is received by the Management Company from a third party, the first business day following receipt of the confirmation from the third party.

13.2 Deferral of Redemptions

In order to ensure that shareholders who do not seek to have their Shares redeemed 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 time frame, the Directors may apply the procedures set out below to permit the orderly disposal of securities to meet redemptions.

In case of redemption requests on any Valuation Day for Shares representing more than 10% of the Net Asset Value of a Sub-Fund, the Company shall not be bound to redeem on such Valuation Day or in any period of seven consecutive Valuation Days Shares representing more than 10% of the Net Asset Value of such Sub-Fund on such Valuation Day or at the commencement of such period. Redemption may accordingly be deferred for not more than seven Valuation Days after the date of receipt of the redemption request (but always subject to the foregoing limits). In case of deferral of redemptions, the relevant Shares shall be redeemed at the Redemption Price on the Valuation Day on which the request is executed.

Deferred redemptions shall be dealt with in priority to redemption requests received subsequently.

In case of redemption requests on any Valuation Day for Shares representing more than 10% of the Net Asset Value of a Sub-Fund, the Company, having regard to the fair and equal treatment of shareholders, on receiving the redemption requests may elect to sell assets of that Sub-Fund representing, as nearly as practicable, the same proportion of the Sub-Fund's assets as the value of the Shares for which redemption applications have been received. If the Company exercises this option, then the amount due to the shareholders who have applied to have their Shares redeemed, will be based on the Net Asset Value per Share calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in a freely convertible currency.

Deferral of redemptions will also apply to conversions.

14. CONVERSION OF SHARES

When conversion is allowed, holders of Shares of each Sub-Fund will be entitled, as long as all conditions to subscribe in Shares relating to the class of Shares of the new Sub-Fund are met, to convert (switch) some or all of their holding into Shares of another Sub-Fund on each Valuation Day by making application to the Company's Transfer Agent in Luxembourg or through the Global Distributor or a Distributor by telex, facsimile, confirmed in writing by no later than the Cut-off time on which the Shares are to be converted provided that the Directors may impose restrictions on the issuance of Shares of a Sub-Fund resulting from conversion requests during a certain period. 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 (if more than one). Shares from one class may be converted into Shares of another class as long as all conditions to subscribe in the new class of Shares are met. As indicated in paragraph 2.2, shareholders can find the classes of Shares available for each Sub-Fund in the annual and semi-annual reports of the Company and on Lombard Odier Group website (www.loim.com) or can be obtained at the registered office of the Company or of the foreign representatives (if any).

In case of conversion concerning Sub-Funds with different Cut-off times, the most restrictive Cut-off time shall apply to the conversion (see Annex A in relation to a given Sub-Fund).

It should be noted that conversion of Shares cannot be made until the Company is in receipt of the relevant Share Certificate (if any).

A shareholder may request the conversion of his class of Shares into another class of Shares if the criteria described in paragraph 2.2 to invest in such class of Shares are met. However, the Directors may impose restrictions on such rights for conversion. The minimum initial investment and holding amount required for a particular class of Shares may have been reached after a subsequent subscription or due to market variations.

If a shareholder should request the conversion of only part of his holding of a given class of Shares of the original Sub-Fund and such conversion would if carried out leave the shareholder with less than the minimum holding in respect of such class of Shares in the original Sub-Fund or the new Sub-Fund the Directors may, if they think fit, refuse the request for conversion or convert the whole of that shareholder's holding of Shares of the original Sub-Fund.

If an investor does not meet any more one of the criteria applying to a given class of Shares described in paragraph 2.2. (for example, following a request to redeem part of its holding), the Company may convert the investor's Shares into another class of Shares for which the investor meets the applicable criteria. However if the residual investment in the Shares of a given Sub-Fund is reduced under the applicable minimum holding amount, by reason of market fluctuations or currency fluctuations, no conversion will be operated.

The Company will request from investors investing in Shares subject to investor eligibility criteria the provision of all documents or information evidencing that they meet the relevant criteria to invest in such categories of Shares. In addition, the Company may refuse applications to convert into Shares as long as all the required information and documents above mentioned are not in its possession or for any other appropriate reasons.

The basis of conversion is related to the respective Net Asset Value per Share of the Sub-Fund 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
- B: the Number of Shares in the original Sub-Fund
- 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 of up to 0.50%.

Holders of S Shares will also be charged with Dealing Charges (see paragraph 10.4) in case of conversion between Sub-Funds (but not in respect of conversions between classes of Shares within the same Sub-Fund).

The Company will provide a Share Confirmation with details of the conversion to the shareholder concerned and issue new Share Certificates, if so requested by such shareholder.

Any conversion request shall be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the class of Shares or of the Sub-Fund concerned or deferment.

In compliance with the forward pricing principle, requests for conversions received after the Cut-off time will be deferred to the next following Business Day. Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the conversion orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and the Distributors.

Delayed payment of redemptions (see paragraph 13.1) and deferment of redemptions (see paragraph 13.2) will also apply to conversions.

15. NET ASSET VALUE

15.1 Net Asset Value Determination

The Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Sub-Fund will be determined in the relevant Reference Currency and, for the Net Asset Value per Share, in the relevant Alternative Currency, in the case of classes issued in an Alternative Currency, on each Valuation Day, except in case of a suspension as described below.

The Net Asset Value per Share of each Sub-Fund will be calculated in respect of any Valuation Day.

Swing Pricing

Swing Pricing is a mechanism designed to protect shareholders against the negative effects of trading for the account of a Sub-Fund when there are large flows into or out of a Sub-Fund.

In the event that net subscriptions or redemptions in a Sub-Fund exceed a certain threshold ("Swing Threshold") on any Valuation Day, the Net Asset Value of that Sub-Fund may be adjusted by a factor, normally expressed as a percentage of the Net asset Value of the Sub-Fund ("Swing Factor") to reflect the anticipated costs of dealing in the underlying securities of the Sub-Fund.

The Net Asset Value will be adjusted upwards by the Swing Factor when there are net subscriptions on any Valuation Day in excess of the Swing Threshold and downwards when they are net redemptions on any Valuation Day in excess of the Swing Threshold, the intention being to better allocate the dealing costs to those shareholders who are subscribing or redeeming, rather than shareholders who are not dealing in their shares on the relevant Valuation Day.

Swing Thresholds

The Swing Threshold for each Sub-Fund will be determined separately and may vary over time depending upon prevailing circumstances. Factors influencing the determination of the Swing Threshold may include:

- the size of the Sub-Fund
- the type and liquidity of securities in which the Sub-Fund invests
- the costs, and hence the dilution impact, associated with the markets in which the Sub-Funds invests
- the investment policy of a Sub-Fund and the extent to which a Sub-Fund can retain cash (or near cash) as opposed to always being fully invested
- market conditions (including market volatility)

Where the Swing Threshold is set at 0%, a "full" swing policy applies and the direction of the swing is determined by the net dealing activity for that Valuation Day (net subscriptions or net redemptions). Where the Swing Threshold is set above 0%, a "partial" swing policy applies and will only be triggered if the net dealing activity for the Valuation Day exceeds the Swing Threshold.

Swing Factors

The Swing Factor may normally not exceed 3% of the Net Asset Value of a Sub-Fund. However, in extraordinary market conditions and where the Directors determine that it is necessary to efficiently protect the interests of shareholders, the Directors may increase the maximum level of the Swing Factor for any Sub-Fund above 3% of the Net Asset Value of that Sub-Fund. In such case, affected shareholders shall be informed as soon as reasonably practicable thereafter. Extraordinary market conditions may include heightened market and sector volatility, a widening of bid/offer spreads of underlying investments and/or the increase of portfolio transaction costs associated with the securities trading.

It should be understood that:

- (i) the Swing Factor applies to all Shares of the Sub-Fund subject to the Swing Pricing;
- (ii) different Swing Factors may apply to different Sub-Funds.

Elements influencing the determination of the Swing Factor may include (list non-exhaustive):

- the bid/offer spreads for the underlying securities held within a Sub-Fund's investment portfolio
- broker commissions
- transaction taxes and other trading costs that may have a material impact
- other considerations which may exacerbate the dilution effect

The Management Company determines, and periodically reviews, under the responsibility of the Company, the operational decisions concerning Swing Pricing, including the determination of the applicable Swing Thresholds (if any) and Swing Factors for each Sub-Fund.

The calculation of the Net Asset Value, when using Swing Pricing as described above, shall be used to determine the Issue and Redemptions Prices of the Shares of each Sub-Fund.

It should be noted that as the Swing Pricing mechanism applies on the basis of net inflows or outflows, it does not address the specific circumstances of each individual shareholder transaction.

The Swing Pricing will apply to each Sub-Fund individually even though part or all of its assets is co-managed with assets belonging to other Luxembourg collective investment schemes or to other Sub-Funds (see paragraph 6.4).

In addition to the circumstances mentioned above in relation to net inflows and outflows, it should also be noted that, should a Sub-Fund be part of a merger as per one of the merger techniques set forth in the 2010 Law, its Net Asset Value may be adjusted through the Swing Pricing mechanism to net out any impact caused by the cash inflows or outflows occurring on the merger date.

Dilution Adjustment

Alternatively to the Swing Pricing mechanism described above, in order to avoid the dilution of the net asset value of a Sub-Fund resulting from large flows into or out of a Sub-Fund, the Directors may make any necessary dilution adjustment to the net asset value of any Sub-Fund (a "Dilution Adjustment"). The Dilution Adjustment may normally not exceed 3% of the Net Asset Value. However, such amount may be increased in extraordinary market conditions and if the best interest of the shareholders so requires. In such case, affected shareholders shall be informed as soon as reasonably practicable thereafter. Extraordinary market conditions may include heightened market and sector volatility, a widening of bid/offer spreads of underlying investments and/or the increase of portfolio transaction costs associated with the securities trading.

Elements influencing the Dilution Adjustment may include (list non-exhaustive):

- the bid/offer spreads for the underlying securities held within a Sub-Fund's investment portfolio
- broker commissions
- transaction taxes and other trading costs that may have a material impact
- other considerations which may exacerbate the dilution effect

Any communication to the shareholders in relation to the application of Swing Pricing or the Dilution Adjustment, including the Sub-Funds subject to such measure, will be published on www.loim.com and available on request at the registered office of the Company and the Management Company.

In case different classes of Shares have been issued within a Sub-Fund, the Net Asset Value per Share of each class of Shares in the relevant Sub-Fund will be determined, on any Valuation Day, by dividing the value of the total assets of that Sub-Fund attributable to such class of Shares less the liabilities of such Sub-Fund attributable to such class of Shares by the total number of Shares, outstanding on such Valuation Day, of such class of Shares.

The assets will be valued in accordance with principles laid down in the Articles and in accordance with the Valuation Regulations.

The value of all securities which are admitted to an Official Listing or traded on any other Regulated Market is determined on the basis of the last available price of the Valuation Day on the principal market on which such securities are traded, as furnished by a pricing service approved by the Directors. If such prices are not representative of their fair value, such securities as well as any of the portfolio securities which are not so listed and all other investments, including permitted financial futures contracts and options, will be valued on the reasonably foreseeable sales prices determined prudently and in good faith.

The value of money-market instruments will be based either on market data or on valuation models including systems based on amortised costs. Where valuation models are used to value the money-market instruments, the Company will ensure that such models comply with the requirements imposed by Luxembourg law and in particular with the Circular of the CSSF 08/339 as completed by the Circular 08/380. In particular, where an amortization method is used to assess the value of money-market instruments, the Company will ensure that this will not result in a material discrepancy between the value of the money-market instrument and the value calculated according to the amortization method.

Any assets or liabilities expressed in terms of currencies other than the Reference Currency are translated into the Reference Currency at the prevailing market rate at the time of valuation.

The Net Asset Value per Share shall be rounded to four decimal places (except for JPY-denominated Shares).

The Net Asset Value per Share of each Sub-Fund as certified by a Director or by an authorized officer or representative of the Company shall be conclusive, except in the case of manifest error.

The Company shall include in the financial reports its audited consolidated accounts expressed in EUR.

During the existence of any state of affairs which, in the opinion of the Directors, makes the determination of the Net Asset Value of a Sub-Fund in the designated currency either not reasonably practical or prejudicial to the shareholders of the Company, the Net Asset Value and the Issue Price and Redemption Price may be temporarily determined in such other currency as the Directors may determine.

The Issue Price and Redemption Price of any classes of Shares of the Sub-Funds which equal the Net Asset Value per Share in the Reference Currency and in the Alternative Currency, in the case of classes issued in an Alternative Currency, may be obtained at the registered office of the Company, at the offices of the foreign representatives (if any) and will be available on the Lombard Odier Group website (www.loim.com). At the discretion of the Directors, but always in compliance with regulatory requirements applying in each country of registration of the Company, this information may be published daily in various newspapers and financial journals as the Directors may determine. The Directors may also freely choose different newspapers and financial journals for each class of Shares. The relevant classes of Shares shall be impacted by their respective costs of publication of Issue/Redemption Prices.

15.2 Suspension of the Calculation of the Net Asset Value, and of Issue, Redemption and Conversion of Shares

The Company may suspend the calculation of the Net Asset Value of any Sub-Fund and may suspend the issue, redemption and conversion of Shares of any relevant Sub-Fund:

- (a) during any period when the dealing of the units/shares of an investment vehicle in which any substantial portion of assets of the relevant Sub-Fund is invested or the calculation of the net asset value of such investment vehicle is restricted or suspended;

- (b) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of a Sub-Fund's investments for the time being are quoted, is closed, otherwise than for ordinary holidays, or during which dealings are substantially restricted or suspended;
- (c) during any period when a material part of a Sub-Fund's investments may not, using the standard valuation procedures, be promptly or accurately valued or is not valued at a fair market value;
- (d) during any period when the net asset value of any subsidiary of the Company may not be determined accurately;
- (e) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of the Company's assets attributable to any Sub-Fund is not reasonably practical;
- (f) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;
- (g) during any period when remittance of monies which will or may be involved in the realization of, or in the payment for, any investments attributable to any Sub-Fund is not possible;
- (h) during any period when, in the opinion of the Board there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund;
- (i) in the event of (i) the publication of the convening notice to a general meeting of shareholders the purpose of which is to propose the winding up of the Company or a Sub-Fund thereof, or (ii) the decision of the Board to wind up one or more Sub-Funds;
- (j) in accordance with the provisions on mergers of the Law, provided that any such suspension is justified for the protection of the shareholders;
- (k) in case of a feeder Sub-Fund, during any relevant period when the determination of the net asset value of the master UCITS is suspended.

The Articles provide that the Company may suspend the issue, redemption and conversion of the Shares forthwith, upon the occurrence of an event causing it to enter into liquidation.

Shareholders having requested issue, redemption or conversion of their Shares will be notified in writing of any such suspension within seven days of their request. Shareholders will be promptly informed of the termination of such suspension by (i) a notification in the same form as the notification of the suspension described above and/or (ii) any other alternative or additional means of conveyance of information the Board may deem more appropriate given the circumstances and the interest of the shareholders (e.g. via a website).

16. LIQUIDATION, COMPULSORY REDEMPTION AND AMALGAMATION OF SUB-FUNDS

- (a) The Company can be liquidated by a shareholders' decision in accordance with the provisions of the 1915 Law. The same quorum and majority requirements for the shareholders' decision shall apply in case of merger, if as a result of such merger, the Company will cease to exist.
- (b) In the event that the Net Asset Value of the Company falls below EUR 100 million or in case the Board deems it appropriate because of changes in the economical or political situation affecting the Company, or if the Board deems it to be in the best interests of the shareholders, the Board may, by giving notice to all holders of Shares, redeem on the Valuation Day indicated in such notice all (but not some) of the Shares not previously redeemed, at the Net Asset Value without any redemption charges. The Board shall, after the end of the notice period, forthwith convene an extraordinary shareholders' meeting to appoint a liquidator to the Company.
- (c) In the event that the Net Asset Value of any particular Sub-Fund falls below EUR 50 million or the equivalent in the Reference Currency of a Sub-Fund or if a redemption request is received that would cause any Sub-Fund's assets to fall under the aforesaid threshold, or if the Board deems it appropriate to rationalize the Sub-Funds offered to investors, or in case the Board deems it appropriate because of changes in the economic or political situation affecting the relevant Sub-Fund or if the Board deems it to be in the best interest of the shareholders concerned, the Board may, after giving notice to the shareholders concerned, to the extent required by Luxembourg laws and regulations, redeem all (but not some) of the Shares of that Sub-Fund on the Valuation Day provided in such notice at the Net Asset Value without any dealing or redemption charges. Unless the Board decides otherwise in the interest of, or in order to ensure equal treatment of, the shareholders, shareholders of the relevant Sub-Fund may continue to request redemption or conversion of their Shares free of any redemption or conversion charge, but taking into account actual realisation prices of investments and realisation expenses.
- (d) If a Sub-Fund qualifies as a Feeder of a Master, the merger, split or liquidation of such Master, triggers liquidation of the Feeder, unless the Board decides, in accordance with article 16 of the Articles and the 2010 Law, to replace the Master with another Master or to convert the Feeder into a non feeder Sub-Fund.

- (e) Termination of a Sub-Fund with compulsory redemption of all relevant Shares for other reasons than set out in the preceding paragraphs, may be effected only upon its prior approval by the shareholders of the Sub-Fund to be terminated at a duly convened general meeting of the Sub-Fund concerned which may be validly held without quorum and decided by a simple majority of the Shares present or represented.
- (f) Liquidation proceeds not claimed by shareholders at the close of liquidation of a Sub-Fund will be deposited at the Caisse de Consignation in Luxembourg and shall be forfeited after thirty years.
- (g) The provision for anticipated realization and liquidation costs will be accounted for in the Net Asset Value from such date as may be defined by the Board and at the latest on the date of dispatch of the notice mentioned sub-paragraphs (b), (c), (d) and (e).
- (h) In compliance with the provisions of the Law, the Board may decide to merge any Sub-Fund with another Sub-Fund of the Company or with another UCITS or a sub-fund thereof (whether established in Luxembourg or another member state of the European Union or whether such UCITS is incorporated as a company or is a contractual type fund) using any of the merger techniques set forth in the Law. The Board will give notice to shareholders concerned, as required by Luxembourg laws and regulations. Such notice shall be provided to the shareholders concerned at least thirty days before the last date for exercising their right to request the repurchase or redemption or conversion of their Shares without any charge other than those retained to meet disinvestment costs; such right shall cease to exist five working days before the date for calculating the exchange ratio referred to in article 75, paragraph (1) of the 2010 Law.
- (i) Alternatively, the Board may propose to the shareholders of any Sub-Fund to merge the Sub-Fund with another Sub-Fund of the Company or with another UCITS or a Sub-Fund thereof (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of the Law. In such case, the duly convened general meeting of the Sub-Fund concerned may be validly held without quorum and may decide by a simple majority of the Shares present or represented.
- (j) If the Board determines that it is in the interests of the shareholders of the relevant Sub-Fund or that a change in the economic or political situation relating to the Sub-Fund concerned has occurred which would justify it, the reorganisation of one Sub-Fund, by means of a division into two or more Sub-Funds, may take place. This decision will be notified to shareholders as required. The notification will also contain information about the two or more new Sub-Funds. The notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request the redemption of their Shares, free of any dealing or redemption charge, before the operation involving the division into two or more Sub-Funds becomes effective. Under the same circumstances, the Board may decide the division of a class of Shares into two or more classes of Shares.

17. TAXATION

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

1) The Company

(a) Luxembourg

The Company is not liable for any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. No stamp or other tax is payable in Luxembourg on the issue of Shares.

In relation to each Sub-Fund, several classes of Shares may be issued. Classes of Shares available to all shareholders are subject (except as indicated below) to a *taxe d'abonnement* of 0.05% per annum and certain classes of Shares, which are restricted to Institutional Investors, are liable to a *taxe d'abonnement* of 0.01% per annum pursuant to Article 174 and following of the 2010 Law. The *taxe d'abonnement* is calculated on the Net Asset Value of the Sub-Funds represented by those Shares. Such tax shall be paid by the Company quarterly on the basis of the Net Asset Values at the end of the relevant calendar quarter.

The benefit of the 0.01% *taxe d'abonnement* is available to Institutional Investors on the basis of the Luxembourg legal, regulatory and tax provisions as these are known to the Company at the date of the Prospectus and at the time of admission of subsequent investors. However, such assessment is, for the past and for the future, subject to such interpretations on the status of an institutional investor by any competent authorities as will exist from time to time. Any reclassification made by an authority as to the status of an investor may submit the entire corresponding class of Shares of a Sub-Fund to a *taxe d'abonnement* of 0.05% per annum.

The 2010 Law also provides for the exemption of the *taxe d'abonnement* under certain circumstances. Amongst those, classes of Shares reserved to institutions for occupational retirement pension schemes are exempt from the *taxe d'abonnement*. Annex A in relation to a given Sub-Fund may indicate that the Sub-Fund is restricted to institutions for occupational retirement pension schemes for the purpose of benefiting from such exemption.

No Luxembourg tax is payable on the realized or unrealized capital appreciation of the assets of the Company.

(b) **Germany**

Certain Sub-Funds are managed in accordance with the so-called partial exemption regime for equity or mixed funds under section 20 paragraph 1 of the GITA. If applicable, the criteria to be met by the Sub-Funds in order to benefit from the partial exemption regime under the GITA are set out under paragraph 21.1.

(c) **General**

Dividends and/or interest received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin. As far as possible, these taxes will be reclaimed by the Management Company on behalf of the shareholders concerned, as appropriate, under the terms of double taxation treaties or other specific conventions.

2) Shareholders

(a) **Luxembourg**

Shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg).

(b) **General**

Investors should ascertain from their professional advisers the consequences of their acquiring, holding, redeeming, converting, transferring or selling shares under the laws of the jurisdictions to which they are subject, including the tax consequences and any foreign-exchange-control requirements.

3) Automatic exchange of information in the field of taxation

The OECD received a mandate by the G8/G20 countries to develop a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Investors in the Company may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis the Euro-CRS Directive has been adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the Member States for the data relating to calendar year 2016.

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

Under the 2015 Law, implementing the Euro-CRS Directive, the Company is committed to report, by virtue of its status of Luxembourg Reporting Financial Institution as defined by the 2015 Law, the information listed under article 4 of the 2015 Law and related to Reportable Accounts (as such term is defined under the 2015 Law) such as the identity and residence of financial account holders (including certain entities and their controlling persons), account details account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another Member State.

It is also possible that AEOI would occur at a later stage among non EU member States.

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

18. DOCUMENTS

18.1 Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) Management Company Agreement;
- (b) investment management agreements signed with the Investment Managers;
- (c) Depositary Agreement;
- (d) Central Administration Agreement;
- (e) the Articles.

The Articles, the Prospectus and the latest annual and semi-annual reports of the Company may be obtained free of charge from the Swiss Representative.

18.2 Key information document

An up to date key information document relating to each Sub-Fund is available on the Lombard Odier Group website (www.loim.com). A hard copy can be supplied to investors on request and free of charge.

18.3 Other documents

The following documents are available on the Lombard Odier Group website (www.loim.com):

- Index Rule Book of the relevant index under either the Commodity Swap (under 3.3.1) and the Backwardation Swap (under 3.3.2), the Commodity Curve Arbitrage Swap (under 3.3.3) and the Commodity Value Swap (under 3.3.4) (a copy may be obtained at the registered office of the Company on request free of charge);
- the index rule book of the relevant underlying indices of the main index mentioned above, if applicable (a copy may be obtained at the registered office of the Company on request free of charge);
- the list of applicable Payment Date as mentioned in Annex A;
- summary description of the strategies for the exercise, to the exclusive benefit of the Sub-Funds concerned, of voting rights attached to instruments held in the portfolios managed by the Management Company;
- the disclosures to be made available to investors pursuant to SFDR, as further detailed in paragraph 3.1 (xi);
- the details of the up-to-date remuneration policy, including information on how the remuneration policy is consistent with the integration of sustainability risks.

19. MEETINGS, REPORTS AND INFORMATION TO SHAREHOLDERS

The annual general meeting of shareholders of the Company will be held, in accordance with Luxembourg law, in Luxembourg at the registered office of the Company, or at such other place in the Grand Duchy of Luxembourg at such date and time as may be specified in the notice of meeting within six months following the end of the financial year. Other general meetings of shareholders of the Company or of a Sub-Fund or class of Shares may be held at such time and place as are indicated in the notices of such meetings.

The shareholders of any Sub-Fund or any class of Shares may hold or be convened to, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or class of Shares.

Notices of general meetings and other notices shall be given in accordance with Luxembourg Law.

If all Shares are in registered form and if no publications are required by any applicable law, convening notices may be mailed by registered mail only or in any manner as set forth in applicable law. If so permitted by law, the convening notice may be sent to a shareholder by any alternative means of communication having been accepted by such shareholder in the manner and conditions described in the Articles.

Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements, including that the quorum and majority rules of the meeting will be determined in respect of the Shares as issued at 12.00 p.m. Luxembourg time, five days preceding such meeting. Notices of all meetings shall be sent to holders of registered Shares at their address indicated in the share register of the Company.

All other notices are sent to registered shareholders and, if required, are published on Lombard Odier Group website (www.loim.com) and/or published in such newspapers as the Directors may determine. In the case of publication in foreign jurisdictions the Directors may apply the "home country rule" according to which a publication will be made in the relevant jurisdictions as long as such publication is required under Luxembourg law. In the absence of such requirement under Luxembourg law, the Directors may choose not to publish in foreign jurisdictions to the extent that this alternative is permitted under the local laws of the relevant foreign jurisdictions. In addition, the Directors may, given the circumstances and having regard to the interest of the shareholders, adopt complementary means of communication, including the Lombard Odier Group website (www.loim.com), to ensure a prompter and more efficient information of the shareholders.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Company. Every registered shareholder must provide the Company with an address and for shareholders that have individually accepted being notified via email, an email address, to which all notices and announcements from the Company may be sent. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

The financial period of the Company will end on 30 September of each year. The annual report containing the audited consolidated financial accounts expressed in EUR of the Company in respect of the preceding financial period will be made available at the registered office of the Company at least 8 days before the annual general meeting. Unaudited semi-annual reports as at 31 March will be made available within two months of the end of the relevant date. Copies of all financial reports will be available at the registered office of the Company and from the foreign representatives (if any).

The Directors may, at their discretion, decide that information regarding the Sub-Funds investments may be available for some or all investors of the Company. If this information is only provided to some investors, the Directors will ensure that (i) such investors need the information to comply with legal, regulatory, tax or other mandatory requirements, (ii) investors will keep the information confidential and (iii) investors will not use the information to take advantage of the expertise of the Investment Managers of the Company.

In compliance with the provisions of the 2010 Law, CSSF Regulation 10-4 and CSSF Circular 18/698, the Management Company has implemented and maintained effective certain procedures and strategies including:

- a procedure for the reasonable and prompt handling of complaints received from shareholders: in this context, shareholders are given the opportunity to file complaints free of charge, in the official language(s) of their country of residence, to their respective local representatives or directly to the Management Company using the addresses and contact details provided in Section 1; the latter will take care of handling of clients complaints in the most diligent, transparent and objective manner possible;
- strategies for the exercise, to the exclusive benefit of the Sub-Funds concerned, of voting rights attached to instruments held in the portfolios managed by the Management Company: a summary description of these strategies are available on the Lombard Odier Group website www.loim.com and the details of the actions taken on the basis of those strategies can be supplied free of charge to investors upon request made to the Management Company;
- inducements: the essential terms of arrangements relating to the fees, commissions or non-monetary benefits, the Management Company may receive in relation to the activities of investment management and administration of the Fund are disclosed in this Prospectus and/or in periodic reports, as the case may be. Further details can be supplied free of charge to investors upon request made to the Management Company;
- procedures relating to the management of conflicts of interest – details of this procedure are available on the Lombard Odier Group website (www.loim.com).

20. APPLICATION PROCEDURE

Provided the conditions set forth in paragraph 12.2 are fulfilled, application may be made by investors in accordance with either of the methods described below:

- (a) written application to the Company in Luxembourg c/o its Transfer Agent:

CACEIS Bank, Luxembourg Branch
5, allée Scheffer
2520 Luxembourg
Grand Duchy of Luxembourg
Telephone Number: (352) 47 67 59 99
Facsimile Number: (352) 47 67 70 63, or

- (b) written application to the Global Distributor or any distributor containing the required information.

In compliance with the forward pricing principle, written applications must be received by the Company not later than the Cut-off time (see Annex A in relation to a given Sub-Fund). Written applications must be accompanied by either a Bankers draft or a notification of a completed Swift transfer form, except otherwise agreed in writing with the Company. All deals will be effected on a forward pricing basis. Payment of the Issue Price must be made in full for value the Payment Date, except otherwise agreed in writing with the Company. Other methods of payment are subject to the prior agreement by the Company. The allotment of Shares is conditional upon receipt by the Depository of cleared monies within the time limit mentioned under the Payment Date (or within such deadline previously agreed with an investor). If timely settlement is not made, an application may lapse and be cancelled.

Shares can only be held by or through FATCA compliant financial institutions listed in paragraph 12.2.

Payment should be made in the Reference Currency or the Alternative Currency, in the case of classes issued in an Alternative Currency, of the relevant Sub-Fund in which Shares are subscribed by a telegraphic transfer in favour of CACEIS Bank, Luxembourg Branch on the following accounts:

EUR Direct via TARGET II
Swift code: BSUILLULLXXX
Account Name: CACEIS Bank, Luxembourg Branch

USD JP Morgan Chase
Swift code: CHASUS33
Account Name: CACEIS Bank, Luxembourg Branch
Account Number: 796706786
Chips number: 0002
ABA number: 021000021

GBP HSBC Bank Plc, International
Swift code: MIDLGB22
IBAN: GB63MIDL40051535210915
Sort Code: 40-05-15
Account Number: 35210915 - CACEISBL

CHF UBS Zürich
Swift code: UBSWCHZH80A
Account Number: 02300000060737050000Z
IBAN: CH540023023006073705Z

SEK	Skandinaviska Enskilda Banken Swift code: ESSESESS Account Number: 52018532790 IBAN: SE5350000000052018532790
NOK	Nordea Bank Norge Swift code: NDEANOKK Account Number: 60010209253 IBAN: NO4560010209253
CAD	Canadian Imperial Bank of Commerce Swift code: CIBCCATT Account Number: 1811118
AUD	Westpac Banking Corporation Intl Div. Swift code: WPACAU2S Account Number: AIS0020979
JPY	Bank of Tokyo-Mitsubishi UFJ, Tokyo Swift code: BOTKJPJT Account Number: 653-0418285

indicating the proper identity of the applicant(s) and the name of the relevant Sub-Fund in which Shares are subscribed.

20.1 Applications and Confirmations

- (i) A corporation must execute any application under its common seal or under the hand of a duly authorized officer whose capacity should be stated;
- (ii) if any application or confirmation is signed by proxy, the power of attorney must accompany the application;
- (iii) notwithstanding i) and ii) above, an application signed by a bank or any other person on behalf of, or purportedly on behalf of, a corporation may be accepted.

20.2 Registered Share Certificates

Registered Share Certificate(s) will not be issued unless specifically requested by investors, in which case Certificates will be dispatched to the applicant(s) to the address given on the application form within 30 days after acceptance of the subscription.

20.3 General

The Company reserves the right to reject, at its sole discretion, any subscription request for Shares and to accept any application in part only.

The Directors may, at any time and in their discretion, impose restrictions on the issuance of Shares of a Sub-Fund (also resulting from conversion requests) for any period of time. In addition, the Directors may, in their discretion, decide to apply such restrictions to all investors or a determined category of investors. In these cases, the investors whose subscription request has been rejected will be properly informed.

Similarly, the Directors may, at any time and in their discretion, revoke totally or partially any restrictions taken by virtue of the preceding paragraph. In such event, the public may be informed by way of a publication on the Lombard Odier Group website (www.loim.com) of the decision taken by the Board in this respect.

If any application is not accepted in whole or in part, the application monies or the balance thereof will be posted forthwith to the applicant, at the risk of the person(s) entitled thereto.

The Company reserves the right to withhold Share Certificates and, if applicable, any excess application monies pending clearance of the application monies.

The applicant must provide the Global Distributor, the Distributor or the Central Administration Agent with all necessary information which the Global Distributor, the Distributor or the Central Administration Agent may reasonably require to verify the identity of the applicant and his/her eligibility to subscribe or hold Shares. Applicant is required to provide evidence of its status under FATCA by means of any relevant tax documents, such as a "W-8BEN" form of the US Internal Revenue Service (or an equivalent acceptable form, document or certification) that must be renewed on a regular basis according to applicable regulation and/or a global intermediary identification number as the case may be. Failure to do so may result in the Company refusing to accept the subscription for Shares in the Sub-Funds. The Company shall not be held liable for the consequences arising from any delay or rejection of a subscription order resulting from the applicant's failure to produce satisfactory information or documents in a timely fashion.

Applicants must indicate whether they invest on their own account or on behalf of a third party. Investments in certain classes of Shares are subject to the conditions mentioned in paragraph 2.2. The Company may request from investors the provision of all documents or information evidencing that they meet the relevant criteria to invest in the relevant class of Shares. In addition, the Company may refuse applications to invest in Shares as long as all the required information and documents abovementioned are not in its possession or for any other appropriate reasons.

Rules related to anti-money laundering/combating the financing of terrorism:

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the Luxembourg law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, CSSF Regulation 12-02 and circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the identity of the applicant must be ascertained in accordance with Luxembourg laws and regulations. Consequently, and except for companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering and terrorism financing equivalent to those applicable in Luxembourg, any applicant applying in its own name is obliged to submit to the Global Distributor, the Distributor or the Central Administration Agent all necessary information which the Global Distributor, the Distributor or the Central Administration Agent may reasonably require to verify the identity of the applicant and in the case of it acting on behalf a third party, of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Global Distributor, the Distributor or the Central Administration Agent prior to the occurrence of any change in the identity of any such beneficial owner. Also, such applicant hereby undertakes that it will notify the Transfer Agent and either the Company or the Management Company of a change of circumstances as further explained in paragraph 13.1 in the manner agreed between the Company and the applicant or disclosed in the Prospectus.

20.4 Key information document

According to the 2010 Law, the key information document must be provided to investors in good time before their proposed subscription for Shares of any Sub-Fund of the Company.

Before investing, investors are invited to visit the Lombard Odier Group website (www.loim.com) and download the relevant key information document prior to his/her application. The same diligence is expected from the investor wishing to make additional subscriptions in the future since updated versions of the key information document will be published from time to time.

In case of written applications made directly to the Company in Luxembourg c/o its Transfer Agent, the Company and/or its Transfer Agent may require confirmation from the investor that he/she has consulted the relevant key information document before subscription.

The above shall apply mutatis mutandis in case of conversion.

20.5 Personal Data

The Company and the Management Company collect personal data of shareholders in accordance with GDPR as well as with any other applicable data protection laws or regulations to which they are subject (together the "Data Protection Laws").

Shareholders are informed that their personal data (as defined in GDPR) including, without limitation, information about their legal representatives (such as directors, officers, controlling persons, authorized signatories or employees) given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form as well as in hard copies and may be collected, transferred, used or otherwise processed by the Company and Management Company, as well as their employees, officers or agents for achieving the specific purposes detailed hereunder in compliance with the provisions of the Data Protection Laws.

Shareholders must also be aware that telephone conversations with the Management Company, any entity of the Lombard Odier Group, the Depositary and the Central Administration Agent may be recorded. Recordings are considered as personal data and will be conducted in compliance with the Data Protection Laws. Recordings may be produced in court or other legal proceedings with the same value in evidence as a written document.

The processing of personal data is necessary for the following purposes (the "Purposes"):

- (i) for the provision of services to the shareholders such as central administrative and transfer agent services (including the management of subscription, redemption or transfer of Shares, maintaining the register of shareholders' and clients records, shareholders' communications);
- (ii) for compliance with applicable legal and regulatory obligations, including anti-money laundering, client identification or tax reporting obligations (such as, but not limited to, FATCA and CRS as further described below);
- (iii) for the purposes of the legitimate interests pursued by the Company and Management Company (such as communication of information within the Lombard Odier Group to provide the above-mentioned services as well as for client relationship management and internal administrative purposes).

Personal data will only be processed for the Purposes for which it was collected, unless otherwise permitted under the Data Protection Laws.

In order to achieve the above-mentioned Purposes, shareholders should be aware that their personal data may be disclosed to other companies within the Lombard Odier Group, to CACEIS Bank, Luxembourg Branch as Central Administration Agent and Depositary and to any other member of the CACEIS Group and other parties which assist CACEIS Bank, Luxembourg Branch in carrying out its duties to the Company and Management Company. Personal Data may also be disclosed to other delegates, agents and other service providers engaged by the Company and Management Company as well as their employees, officers, agents and to tax, governmental, regulatory authorities when required by applicable laws or regulations.

Personal Data may, in connection with the above Purposes, be transferred outside of the EEA, where data protection laws may provide less protection than the laws of the EU. Reasonable measures are taken to ensure the security and confidentiality of any personal data transmitted. The Management Company and Company will ensure that any party based outside of the EEA to which personal data are disclosed apply an adequate level of protection, either because an adequacy decision has been adopted by the EU Commission in relation to such country or because such transfers will be subject to other appropriate safeguards authorised under EU law. Shareholders acknowledge and agree that the Company, the Management Company and other entities of the Lombard Odier Group limit their liability to the maximum extent permitted under applicable law in respect of personal data being obtained by unauthorised third parties.

The personal data shall be stored during the time required by law. The personal data shall not be held for longer than necessary with regard to the Purposes of the data processing.

In the manner and subject to the limitations prescribed in the Data Protection Laws, shareholders have a right of access, rectification and/or deletion of their personal data in cases where such data is incorrect, incomplete or outdated. Shareholders may also request restrictions in the use of their personal data and request to receive a copy of their personal data. Any request relating to the processing of personal data may be addressed by e-mail to luxembourg-funds@lombardodier.com or by letter at the registered office of the Company. A complaint can also be lodged with the public authority responsible for monitoring the application of GDPR in the relevant Member State. In the Grand Duchy of Luxembourg, the supervisory authority is the CNPD (Commission Nationale pour la Protection des Données).

If the shareholder is not a natural person, it undertakes to inform its legal representatives and beneficial owners about the abovementioned processing of personal data, purposes of the processing, recipients, possible transfer of personal data outside the EEA, retention period and rights in relation to such processing.

Data protection information in the context of CRS processing

By virtue of Chapter 3 of the 2015 Law (see Section 17 / 3. Automatic exchange of information in the field of taxation), the Company will gather and report personal information targeted by and in compliance with the 2015 Law. In this respect, shareholders are informed that:

- the Company is responsible for the treatment of personal data related to them;
- the personal data is gathered with a view to complying with the 2015 Law and serving its purpose,
- the data will be communicated to the Luxembourg tax authorities as well as to the authority of a Jurisdiction Subject to Reporting (as such term is defined in the 2015 Law);
- answer to questions asked by the Company or its delegate/agent is mandatory and, failing to provide the appropriate answer, the Company may reject any order submitted by the shareholders or proceed to the compulsory redemption of the Shares held by the shareholders;

the shareholders concerned by the above measures have a right to access the data communicated to the Luxembourg tax authority and rectify such data.

21. SPECIFIC INFORMATION FOR INVESTORS IN FOREIGN COUNTRIES

21.1 Specific Information for Investors taxed in Germany

Certain Sub-Funds are managed in accordance with the so-called partial exemption regime for equity or mixed funds under section 20 paragraph 1 of the GITA. This means that these Sub-Funds invest permanently at least 50% ("Equity Fund") or 25% ("Mixed Fund") of their assets in equity participations as defined in GITA (the "Equity Participation Ratio").

For the avoidance of doubt, portfolio securities lent by the Sub-Funds in accordance with paragraph 4.5.1 are not taken into account for the purposes of computing the Equity Participation Ratio.

When a Sub-Fund qualifies as an Equity Fund or Mixed Fund, this will be disclosed in Annex A in relation to a Sub-Fund.

ANNEX A: SUB-FUNDS OFFERED FOR SUBSCRIPTIONS

As of the date of the Prospectus, the following Sub-Funds are currently offered:

LO Funds III – Global Government Fundamental	64
LO Funds III – Emerging Local Currency Bond Fundamental	67

The initial launch date will be disclosed in the latest financial report of the Company. The relevant KID will be updated/issued as the Shares in a Sub-Fund or new classes of Shares within a launched Sub-Fund will become available.

The Directors may decide to create further classes of Shares corresponding to additional Sub-Funds; in such case, this Prospectus shall be supplemented by an addendum or updated.

LO Funds III – Global Government Fundamental

Investment Objective and Policy

The Sub-Fund is actively managed. The Bloomberg Barclays Global Treasury TR index is used for performance comparison as well as internal risk monitoring purposes, without implying any particular constraints to the Sub-Fund's investments. Securities targeted by the Sub-Fund can be similar to those of the index to an extent that varies overtime but their weighting is expected to materially differ. The performance of the Sub-Fund may deviate materially from that of the index.

This Sub-Fund shall invest, at least two-thirds (2/3rd) of its assets, in bonds, other fixed or floating-rate debt securities and short-term debt securities issued or guaranteed by sovereign issuers participating in the OECD and/or by supranational institutions. Up to one-third (1/3rd) of the Sub-Fund's assets may be invested in (i) debt securities issued or guaranteed by sovereign issuers not participating in the OECD (including Emerging Market issuers), (ii) debt securities issued by non-sovereign/supranational institutions, (iii) currencies (including Emerging Market currencies) and/or (iv) Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents). The Sub-Fund may hold Cash and Cash Equivalents in order to achieve its investment goals, for treasury purposes or in case of unfavorable market conditions. Up to 15% of the Sub-Fund's portfolio may be invested in bonds of CIBM, notably through the Bond Connect.

The unrealized gain and loss of financial derivative instruments on currency shall be taken into account for the purpose of the investment policy.

The investment approach applied by the Investment Manager to select securities is mainly based on a fundamental analysis of issuers, independently of their rating. This Sub-Fund is therefore not subject to the minimum rating described in paragraph 3.2. In addition, the Investment Manager may also apply other qualitative and/or systematic strategies.

The Investment Manager will use its discretion with regard to the maturity of the portfolio, the selection of currencies, the categories of financial derivative instruments and their underlying.

As mentioned in paragraph 3.1, the Sub-Fund may hold up to 10% of its net assets in UCIs.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate, inflation, currency and volatility derivatives):

- for hedging purposes Yes
- for EPM No
- as part of the investment strategy Yes

The use of structured financial instruments is described in paragraph 3.1.

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund. In addition to the general risks described, the Sub-Fund faces a number of specific risks. Please have regard to the risk factor "Emerging Market Risk" / "CIBM".

Reference Currency

EUR

Classes of Shares available for subscription

Shares can also be in different forms (i.e., Alternative Currencies, dividend policy, currency hedging policy, "Connect"): see paragraph 2.2.

	P Shares	R Shares	I Shares	S Shares	M Shares	E Shares
Type of investor	All investors	All investors	All investors	Institutional Investors	Financial intermediaries subscribing on the basis of a discretionary portfolio management agreement	Dedicated to entities of LOIM and their respective employees under certain conditions

	P Shares	R Shares	I Shares	S Shares	M Shares	E Shares
Minimum Initial Investment and Minimum Holding Amount	Equivalent of EUR 3,000	Equivalent of EUR 1,000	Equivalent of CHF 1 million	t.b.d.	Equivalent of EUR 3,000	None
Minimum Subsequent Subscription Amount	N/A	N/A	N/A	N/A	N/A	N/A
Maximum Management Fee	0.375%	0.375%	0.375%	N/A	0.45%	N/A
Maximum Distribution Fee	0.375%	1.125%	N/A	N/A	N/A	N/A
Estimated maximum rate of fees and costs under section 10.5.4.1 "Depositary, Central Administration Agent fees and operational costs" in the prospectus	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%

*Notwithstanding any performance fee that may be levied in addition to this limit

Investment Manager

See paragraph 6.3

Approach used to calculate the Global Exposure of the Sub-Fund

Relative VaR

Reference portfolio used to assess the Global Exposure only

Bloomberg Barclays Global Treasury TR

Expected level of leverage

300%

Profile of typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment; and
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

Cut-off time

Cut-off time ¹ (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day ² ("T")	Payment Date ³
3 p.m. on T-1 day	Daily	Up to T+3 days ⁴

NB: any reference to a day shall be construed as a reference to a Business Day

¹ If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

² If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day or the previous Business Day in case of a bi-monthly valuation.

³ For redemptions, payments will ordinarily be made in the Reference Currency.

⁴ Shareholders are prompted to consult the Lombard Odier Group website (www.loim.com) for the applicable Payment Date.

For more details, please refer to paragraph 12.1 "General Provisions" of Section 12 "Issue and Sale of Shares".

LO Funds III – Emerging Local Currency Bond Fundamental

Investment Objective and Policy

The Sub-Fund is actively managed. The JP Morgan GBI-EM Global Diversified TR index is used for performance comparison as well as internal risk monitoring purposes, without implying any particular constraints to the Sub-Fund's investments. Securities targeted by the Sub-Fund can be similar to those of the index to an extent that varies overtime but their weighting is expected to materially differ. The performance of the Sub-Fund may deviate materially from that of the index.

A Sub-Fund invested in bonds, other fixed or floating-rate debt securities and short-term debt instruments issued or guaranteed by Emerging Market sovereign entities or corporate entities incorporated or exercising a prominent part of their business activities in Emerging Markets, denominated in OECD currencies and/or Emerging Market currencies. In specific market conditions or where the Investment Manager considers it appropriate, the Sub-Fund may also invest in bonds, other fixed or floating-rate debt instruments and short-term debt instruments issued or guaranteed by sovereign OECD entities, denominated in OECD currencies. The instruments described above may be of any credit quality (including below investment-grade securities as described in paragraph 3.2) ranging typically from AAA to B. The Investment Manager uses its discretion with regard to the selection of issuers and countries. Up to 35% of the Sub-Fund's portfolio may be invested in bonds issued or guaranteed by the Russian State admitted to Official Listing or dealt in a Regulated Market. Direct investments in Russian markets (other than investments traded on the Moscow Exchange) together with other investments traded through markets which are not Regulated Markets but which are, inter alia, transferable, liquid and have a value which can be accurately determined at any time shall in aggregate not exceed 10% of the Sub-Fund's net assets pursuant to article 41(2) of the 2010 Law. Up to 20% of the Sub-Fund's portfolio may be invested in bonds of CIBM, notably through the Bond Connect.

In addition to the investments in bonds and other debt securities and instruments, the Investment Manager may use financial derivative instruments (i) to take long and short positions on currencies (OECD currencies and/or Emerging Market currencies) and/or (ii) to increase or reduce its exposure to specific asset classes (including equities), markets (including Emerging Markets) and indices (including commodity indices). The Sub-Fund may also be fully invested, in accordance with the applicable diversification rules, in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents). The Sub-Fund may hold Cash and Cash Equivalents in order to achieve its investment goals, for treasury purposes or in case of unfavorable market conditions. The Sub-Fund may be fully invested in Emerging Markets.

As mentioned in paragraph 3.1, the Sub-Fund may hold up to 10% of its net assets in UCIs.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate, inflation, currency and volatility derivatives):

- for hedging purposes Yes
- for EPM No
- as part of the investment strategy Yes

The use of structured financial instruments is described in paragraph 3.1.

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund. In addition to the general risks described, the Sub-Fund faces a number of specific risks. Please have regard to the risk factor "Emerging Market Risk" / "CIBM".

Reference Currency

USD

Classes of Shares available for subscription and restriction of classes of Shares to a certain type of investors

Shares are reserved to institutions for occupational retirement pension schemes. See Section 17 "Taxation", 1) (a) for the tax consequences of such restriction in relation to the taxe d'abonnement.

Shares can also be in different forms (i.e., Alternative Currencies, dividend policy, currency hedging policy, "Connect"): see paragraph 2.2.

	I Shares	S Shares
Type of investor	Institutions for occupational retirement pension schemes	
Minimum Initial Investment and Minimum Holding Amount	Equivalent of CHF 1 million	t.b.d.
Minimum Subsequent Subscription Amount	N/A	N/A
Maximum Management Fee	0.75%	N/A
Maximum Distribution Fee	N/A	N/A

	I Shares	S Shares
Estimated maximum rate of fees and costs under section 10.5.4.1 "Depository, Central Administration Agent fees and operational costs" in the prospectus	0.30%	0.30%
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 3%	Up to 3%

* Notwithstanding any performance fee that may be levied in addition to this limit

Investment Manager

See paragraph 6.3

Approach used to calculate the Global Exposure of the Sub-Fund

Relative VaR

Reference portfolio used to assess the Global Exposure only

JPMorgan GBI-EM Global Diversified TR

Expected level of leverage

300%

Profile of typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment; and
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depository, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

Cut-off time

Cut-off time ¹ (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day ² ("T")	Payment Date ³
3 p.m. on T-1 day	Daily	Up to T+3 days ⁴

NB: any reference to a day shall be construed as a reference to a Business Day

¹ If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

² If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day or the previous Business Day in case of a bi-monthly valuation.

³ For redemptions, payments will ordinarily be made in the Reference Currency.

⁴ Shareholders are prompted to consult the Lombard Odier Group website (www.loim.com) for the applicable Payment Date.

For more details, please refer to paragraph 12.1 "General Provisions" of Section 12 "Issue and Sale of Shares".

ANNEX B: RISK FACTORS ANNEX

The list of risk factors detailed below does not claim to be an exhaustive description of the risks involved in investing in the Sub-Funds' Shares. Before deciding to subscribe to or purchase Shares, potential investors should read the whole Prospectus carefully and contact their professional advisers to understand the fiscal and other consequences of such an investment based on their personal situation.

Past performance is no guarantee for future returns and the investor may consequently get back less than he/she invested. There is no assurance that the investment objective of the Sub-Funds will actually be achieved or that any appreciation in the value of the assets will occur.

The table below is a summary of the main risks relating to the core portfolio of each Sub-Fund as of the date of the Prospectus. It is not a rigid and exhaustive list of all the potential risks. Investors should bear in mind that risks are interrelated and that the Sub-Funds can be sensitive to any of the risk factors, especially in turbulent market conditions.

Summary of main risks															
Risks	General	Equities	Small and Medium Sized Capitalisations	Fixed-Income Securities	Currencies	Below Investment Grade and Distressed Securities	Convertible Securities	Contingent Convertible Bonds	Emerging Markets	Russian Registration / Investment in Russia	Regional or sectorial concentration	Derivatives (Hedging / Efficient Portfolio Mgt)	Derivatives (Investment Strategy)	Model	ABS/MBS (above 10%)
Sub-Funds															
LO Funds III – Global Government Fundamental	X			X	X	X			X			X	X	X	
LO Funds III – Emerging Local Currency Bond Fundamental	X			X	X	X			X	X	X	X	X	X	

1. General Risks

General risks may become correlated in a harmful manner in particular when the Sub-Funds do not face normal market conditions. Therefore, in turbulent market times an increase of one of those risks may not only increase the Sub-Funds exposure to other general risks but may also trigger other risks.

1.1 Credit Risks

Credit risk is a general risk that applies to all investments. It is the risk of loss due a debtor's non-payment of a loan or other obligation (either the principal or interest or both). For the Sub-Funds, the debtor may be either the issuer of an underlying security (the "issuer risk") or the counterparty to a transaction, such as an OTC derivative contract, a repurchase or reverse repurchase agreement or a loan of portfolio securities (the "counterparty risk"). The debtor may be a government (the "sovereign risk"). Credit risk is also the risk of loss due to a credit event, other than the debtor's default of payment, such as, but not limited to, the downgrading of a debtor's credit rating or the rescheduling of a debtor's debt.

Issuer risk - If an issuer of an underlying fixed income or equity security defaults, the Sub-Fund may lose the full amount invested in such security.

Counterparty risk - The Sub-Funds may effect "over-the-counter" transactions or deal in "interdealer" markets. This exposes the Sub-Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Funds to suffer a loss which may correspond to the full amount exposed with such counterparty. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Sub-Funds have concentrated their transactions with a single or small group of counterparties.

Sovereign risk - Where the issuer of the underlying fixed income security is a government or other sovereign issuer, there is a risk that such government is unable or unwilling to meet its obligations, therefore exposing the Sub-Fund to a loss corresponding to the amount invested in such security.

Systemic risk - Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Sub-Funds interacts on a daily basis.

1.2 Market and Volatility Risks

Market risk is a general risk that applies to all investments. It is the risk that the value of an investment will decrease due to moves in market factors such as exchange rate, interest rate, equity or volatility.

Volatility risk is the likelihood of fluctuations in prices, rates or currencies quoted on different markets. Volatility may impact the Net Asset Value of the Sub-Funds in several ways. As market volatility increases so does the volatility of the Net Asset Value per Share.

1.3 Interest Rate Risk

Interest rate risk is the risk that the value of an investment will decrease, due to the variability of interest rates. When interest rates tend to rise, the value of debt securities tend to fall, as does the Net Asset Value per Share of the Sub-Funds invested in debt securities. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is a measure of sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

1.4 Exchange Rate Risk

Exchange rate risk is a general risk that applies to all Sub-Funds investing in assets in a currency other than the Reference Currency (the "foreign currency"). It is the risk that the value of those assets will decrease, as will the Net Asset Value of the Sub-Funds, due to unfavorable exchange rates. If the currency in which a security is denominated appreciates against the Reference Currency, 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. Currency risks are proportional to the amount of assets of each Sub-Fund held in foreign currencies.

The Sub-Funds may offer categories of Shares in an Alternative Currency. Changes in the exchange rate between the Reference Currency and such Alternative Currency may lead to a depreciation of the value of such Shares as expressed in the Alternative Currency. Even when the exchange rate risk is hedged, there can remain a residual exchange rate risk. Although hedging strategies may not necessarily be used in relation to each class of Share with a Sub-Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole (no segregation between classes with a Sub-Fund).

1.5 Liquidity Risk

Liquidity risk is the risk that a given asset can not be traded quickly enough without affecting the price of the asset. In normal market conditions, liquidity risk is low as the Sub-Funds may only invest in eligible assets mentioned in paragraph 4.1. In turbulent market times however, low-volume markets make it difficult for the Sub-Funds to sell their assets at their fair price or to sell them at all. Should the Sub-Funds face large redemption requests in turbulent market times, the Directors may take appropriate measures to protect shareholders interests.

1.6 Unlisted and/or Illiquid Securities Risks

Sub-Funds may invest or hold a limited part of its net assets (max 10%) in securities that are not (or no longer) listed on exchanges or on a Regulated Market or which may be considered illiquid due to the lack of an active trading market. The Sub-Funds may encounter substantial delays and could incur losses in attempting to sell such securities. Where appropriate, positions in the Sub-Funds' portfolio that are illiquid and do not actively trade will be marked to market, taking into account current market prices, market prices of comparable investments and/or such other factors (e.g. the tenor of the respective instrument) as may be appropriate. To the extent that marking an illiquid investment to market is not practicable, an investment will be carried at fair value, as reasonably determined by the Directors or their delegate. There is no guarantee that fair value will represent the value that will be realised by the Sub-Funds on the eventual disposition of the investment or that would, in fact, be realised upon an immediate disposition of the investment. As a result, an investor redeeming his/her Shares from the Sub-Funds prior to realisation of such an investment may not participate in gains or losses thereof.

1.7 Large Redemption Risk

Large redemptions of Shares in any of the Sub-Funds within a limited period of time might result in the Sub-Fund being forced to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the remaining outstanding Shares.

1.8 Hedging Transactions Risk

The Sub-Funds may hold financial instruments, both for investment purposes and for hedging or EPM purposes. The success of the Sub-Funds' hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Sub-Funds' hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Sub-Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Funds than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instrument utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Sub-Funds from achieving the intended hedge or expose the Sub-Funds to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.

1.9 SFIs Risk

SFIs are subject to the risks associated with the underlying investments. Investments in SFIs may entail the risk of loss of principal and/or interest payment as a result of movements in the underlying investments. As such underlying investments may combine financial derivative instruments, SFIs may be subject to greater volatility than direct investments in fixed income and equity securities. In addition, investments in SFIs will expose the Sub-Funds to the credit risk of the counterparty issuing the SFI. In the event of a bankruptcy or insolvency of such counterparty or when the financial institutions issuing such SFIs are facing difficult market conditions, the Sub-Funds may experience delays in liquidating the positions and significant losses as a result of declines in value of the SFIs. The SFIs also entail liquidity risk, as they may not be as liquid as their underlying assets, depending on the market conditions.

1.10 Fiscal Risk

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Sub-Funds invests or may invest in the future cannot be definitively established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed retroactively. It is therefore possible that the Sub-Funds could become subject to additional taxation in such countries where this is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

1.11 Administrative Agent and Depository Risk

The Sub-Funds' operations are carried out by the service providers described in the Prospectus. In the event of bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions and redemption of Shares) or other disruptions.

The Sub-Funds' assets are held in custody by the Depository and the duly appointed sub-custodians, which expose the Sub-Funds to risks of loss associated to the depository function if (1) the Depository/sub-custodian fails to perform its duties (improper performance) and (2) if the Depository/sub-custodian defaults.

1.12 Performance Risk in respect of the use of EPM techniques

While the Sub-Funds seek to generate additional revenues, the overall performance of the Sub-Funds employing such techniques may be adversely affected in the event that one of the risks mentioned above materializes and leads to a loss.

1.13 Regulatory Risk

General - Due to numerous regulatory reforms currently undertaken, there is a risk that the investment policy of the Sub-Funds may be affected and that further restrictions may limit the ability of the Sub-Funds to hold certain instruments or enter into certain transactions and impair the Sub-Funds' capability of achieving their initial respective investment objectives. In order to comply with new or modified laws, rules and regulations it cannot be excluded that restructuring or termination of a given Sub-Fund may be necessary and additional costs may be incurred. A non-exhaustive list of potential regulatory changes in the EU and the United States of America are listed below.

EU - The EU is currently addressing the following topics (list not exhaustive):

- the consultation initiated by the European Commission on product rules, liquidity management, depositary, money market funds, long-term investments in view to another UCITS directive ("UCITS VI Directive");
- specific matters relating to UCITS and dealt with by ESMA – the role of ESMA is to achieve greater consistency in day to day application of EU legislation in the security markets field and it plays an active role in building a common EU supervisory culture and consistent supervisory practice, including by providing opinions and issuing guidelines and recommendations which are a central reference for the work of national regulators; and
- the proposal for the EU Financial Transaction Tax ("EU FTT").

United States of America - Regulators in the United States are taking or have taken actions on the following topics (list not exhaustive)

- the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") imposed the so-called "Volcker Rule" which restricts, "banking entities" and "non-bank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in investment funds;
- the Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions on FATCA. The purpose of FATCA is to reduce tax evasions by US citizens by having details of US investors holding assets outside the US reported by FFIs to the US Internal Revenue Service. As a result of the Hire Act, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income (the "FATCA Withholding"). This regime has become effective in phases between 1 July 2014 and 2017. On 28 March 2014, the US and the Grand Duchy of Luxembourg entered into a model 1 intergovernmental agreement ("IGA") and a memorandum of understanding in respect thereof in order to facilitate the compliance with the provisions of FATCA. On 29 July 2015, the law of 24 July 2015 approving the IGA between the Grand Duchy of Luxembourg and the US was published (the "FATCA Luxembourg Law"). The Company, through its Sub-Funds, qualifies as a FFI. According to FATCA, the IGA and the FATCA Luxembourg law, a FFI can qualify as either a "reporting" FFI or a "non-reporting" FFI. Depending on the status of "reporting" or "non-reporting" FFI attributable to the Company, it may be obliged to require all shareholders to provide mandatory documentary evidence of their tax residence and report certain data to the Luxembourg authority on reportable accounts and/or impose restrictions on the offering and selling of Shares to certain categories of investors with no duty to report or withhold on US source gross sales proceeds or income (see paragraph 12.2). It should also be noted that although the Company will make all reasonable efforts to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy such obligations and therefore avoid the FATCA Withholding which may have adverse impact on all shareholders. Investors are further advised to consult their own legal and tax advisor regarding the possible implications of FATCA on their investment in the Company.

1.14 Dilution Risk

Investors may reasonably expect to incur costs caused by an investment manager's trading activities in pursuit of the investment objectives of the Sub-Fund but may not reasonably expect to suffer a reduction in shareholder value (dilution) influenced by other shareholders excessively trading into or out of the Sub-Fund causing the Sub-Fund to significantly invest/disinvest in securities or markets.

Dilution can occur, for example, due to:

- buying securities at a higher offer-price;
- selling securities at a lower bid-price;
- increased explicit transaction costs including brokerage fees, commissions and taxes
- market impacts as a result of purchasing or selling down securities due to the effects on the supply and demand curves of those securities in the market.

Anti-dilution mechanisms such as Swing Pricing purport to provide reasonable protection to existing shareholders in a Sub-Fund against the negative dilution impact on the NAV occurring when a Sub-Fund invests/disinvests in securities or markets as a result of shareholder activity. This is achieved by transferring the estimated dilution impact to those shareholders who are subscribing or redeeming.

However, it should be noted that the application of anti-dilution mechanisms may not completely cancel out the adverse effects on the Sub-Fund's NAV caused by shareholder activity, especially during stressed market conditions. It should also be noted that a Sub-Fund's short-term performance may experience greater volatility as a result of the anti-dilution mechanisms.

1.15 Sustainability Risk

Sustainability risks mean 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 its 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.

Assessment of sustainability risks is complex and may be based on ESG 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 these data will be correctly assessed.

The integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the Sub-Funds and may also cause the Sub-Funds to sell investments that will continue to perform well.

Appreciation of sustainability risk is to a degree subjective and there is no guarantee that all investments made by the Sub-Funds will reflect beliefs or values of any particular investor on sustainable investments.

Sustainability risks can manifest themselves in different ways and can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity.

The results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund is set out under the Section "SFDR".

2. Risks Linked to Certain Sub-Funds

2.1 Equity Risks

The risks associated with investment in equity (and equity-like) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports and catastrophic events. The value of equities will go up and down and the value of a Sub-Fund investing in equities could incur significant losses.

Sub-Funds may invest in initial public offerings ("IPOs"). There is a risk that the price of the newly floated share may incur greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, a limited number of securities that can be traded and a lack of information about the issuer.

2.2 Small and Medium-Sized Capitalisation Risk

Stocks of small-to medium-sized capitalisation companies often traded may be less liquid than those listed on the major securities exchanges. Consequently, securities of small and even medium-sized cap companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. The combination of price volatility and the limited liquidity of those markets may have an adverse effect on the investment performance of the Sub-Funds. Further the risk of bankruptcy or insolvency of many smaller companies is higher than that of larger, "blue chips", companies.

2.3 Fixed Income Securities Risks

The risks associated with investment in bonds or others fixed income securities include credit, liquidity and interest rate risks.

2.4 Currency Risk

The Sub-Funds may be exposed to currency exchange risk. The Sub-Funds may invest in currencies different from their Reference Currency. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the Reference Currency of a Sub-Fund should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the Reference Currency of the Sub-Fund and such other currency. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. Some currencies are not freely convertible currency.

Furthermore, a Sub-Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Sub-Fund at one rate, while offering a lesser rate of exchange should the Sub-Fund desire immediately to resell that currency to the dealer. The Sub-Fund will conduct its currency exchange transactions either on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-Reference Currency currencies. It is anticipated that most of the Sub-Funds' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or the Depositary.

2.5 Below Investment Grade Risk and Distressed Securities Risk

Investment in debt securities or associated instruments rated BB or below (following Standard & Poor's, Moody's or equivalent), or of equivalent quality in the opinion of the Investment Manager, can involve additional risks. Securities rated BB or equivalent are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Securities rated lower than B, and in particular distress obligations, are most of the time issued by companies in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. They are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. The ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. There is no assurance that value of the assets collateralising the Company's investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Company's investments may not compensate the shareholders adequately for the risks assumed.

In addition evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

2.6 Convertible Securities Risk

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and

(iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund.

2.7 Contingent Convertible Bonds Risk

Contingent convertible bonds (hereafter "Coco Bonds") are debt instruments that transform into shares of equity or are written off upon a triggering event. The investment in Coco Bonds is subject to different risks which may result in the total or partial loss of the invested sums or a delay in payment. These situations may adversely affect the Sub-Funds.

Investment in Coco Bonds may entail the following risks (non-exhaustive list):

Trigger level risk:

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the investment manager of the Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Triggers are designed so that conversion occurs when the issuer faces a given crisis situation, as determined either by regulatory assessment or objective losses (e.g. measure of the issuer's core tier 1 prudential capital ratio). As a particular form of convertible securities, Coco Bonds have some characteristics common to those of the convertible securities as described above but have a distinctive feature which is their debt-to-equity conversion trigger.

Coupon cancellation risk

For some Coco Bonds coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time. For some Coco Bonds the cancelled coupon payments do not accumulate and are instead written off. This may lead to mispricing of the risk related to the investment in Coco Bonds.

Capital structure inversion risk

Contrary to classical capital hierarchy, Coco Bonds' investors (i) may suffer a loss of capital when equity holders do not suffer a loss or (ii) may suffer a loss ahead of equity holders. The Coco Bonds' investors may see their coupons cancelled while the issuer continues to pay dividends on its common equity.

Call extension risk

Some Coco Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Coco Bonds will be called on the call date. The Coco Bonds' investors may not receive return of principal as expected on a call date or, indeed, at any date.

Unknown risk

The structure of Coco Bonds is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is difficult to predict whether the market will view the issue as an idiosyncratic or rather as a systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, in an illiquid market, price formation may be increasingly stressed.

Yield/valuation risk

Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, Coco Bonds tend to compare favorably from a yield standpoint. Some investors may be drawn to the Coco Bonds as a result of their attractive yield which may be viewed as a complexity premium.

Conversion risk

Coco Bonds entail uncertainty and conversion risks, amongst others, due to the difficulty of predicting triggering events that would require the debt to convert to equity.

With respect to conversion risks, there remain uncertainties as to how these securities will behave upon conversion: for instance, conversion triggers will generate newly converted equities to holders of Coco Bonds who may want or be required to sell immediately upon conversion the new equities entailing a decrease of the price of the stock of the issuer. In particular, the investment manager might be forced to sell the new equities because of the investment policy of a Sub-Fund which would not allow equity in its portfolio.

Write down risk

Coco Bonds qualify as securities with hybrid character which insofar as they are issued in the form of bonds may lose their nominal value (i.e. be permanently written down to zero of principal investment and/or accrued interest) or, following a trigger event, may be converted in equity (see above under "Conversion risk").

Sector concentration risk

Coco Bonds are issued by banking/insurance institutions. If a Sub-Fund invests significantly in contingent convertibles bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Sub-Fund following a more diversified strategy.

Liquidity risk

In certain circumstances finding a ready buyer for Coco Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

2.8 Financial Derivative Instruments Risk

a. Valuation risk

Many financial derivative instruments, in particular OTC financial derivative instruments, are complex, difficult to value and often valued subjectively and the valuation may only be provided by a limited number of market professionals. The replacement value of an OTC derivative transaction may differ from the liquidation value of such transaction, and the valuations provided by the Sub-Fund's counterparty to such transaction may differ from the valuation provided by a third party or the value upon liquidation. A counterparty might cease making a market or quoting prices for some of the instruments. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund.

b. Volatility

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

c. Correlation

Financial derivative instruments do not always perfectly or even highly correlate or track the value of the underlying assets they are designed to track. Consequently, a Sub-Fund's use of financial derivative instruments techniques may not always be an effective means of, and sometimes could be counter-productive to, following a Sub-Fund's investment objective.

d. Short Exposure

Although the Company may not carry out uncovered sales of transferable securities, some Sub-Funds may, as part of their investment strategy, use financial derivative instruments to seek short exposure to such transferable securities. The Sub-Fund may face substantial loss should the price of the transferable securities increase.

e. Leverage

The Sub-Funds will not use borrowing to purchase additional investments but Sub-Funds using financial derivative instruments as part of their investment strategy may be expected to be leveraged (gross market exposure, aggregating both long and synthetic short positions, in excess of net asset value).

While leverage presents opportunities for increasing the Sub-Fund's total return, it also has the potential of increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Sub-Fund would be magnified to the extent the Sub-Fund is leveraged. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund.

f. Counterparty Risk (OTC derivative transactions)

The Sub-Funds may enter into derivatives transactions in over-the-counter markets, which will expose the Sub-Funds to the credit risk of their counterparties and their inability to satisfy the terms of such contracts as mentioned in the clause of counterparty risk above.

The Sub-Funds might also be unable to close out when they wish to end or to enter into an offsetting OTC transaction with respect to an open position, which might adversely affect its performance. The closing-out of an OTC derivative transaction may only be made with the consent of the counterparty to the transaction.

g. Control and Monitoring

Financial derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the financial derivative instruments but also of the financial derivative instruments themselves, without the benefit of observing the performance of the financial derivative instruments under all possible market conditions. In particular, the use and complexity of financial derivative instruments require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that financial derivative instruments add to the Sub-Funds and the ability to forecast the relative price, interest rate or currency rate movements of the underlying assets correctly. There is no guarantee that a particular forecast will be correct or that an investment strategy which deploys financial derivative instruments will be successful.

h. Collateral

Under the terms of the ISDA Agreements and related Collateral Support Annexes which the Company has with each of its OTC counterparties, the Company and its respective ISDA Counterparties have an obligation to collateralise their exposure to one another on a mark to market basis. Collateral transferred by the Company to its ISDA counterparties is transferred with full legal title.

When managing collateral the Company has received, the following risks may arise:

Operational risk: such risk materializes through operational errors stemming from (i) trading collateral transfer errors caused by the introduction of new processes, lack of controlled and automated technology or (ii) human errors caused by inexperienced staff; it can be amplified depending on the frequency and value of movements relating to collateral exchange.

Liquidity risk: such risk arises as a consequence of collateral calls resulting from abrupt market movements; during periods of heightened market volatility, the counterparty which is under the obligation to post collateral to its contracting party may face difficulties in meeting obligations as they come due.

Counterparty risk: the Sub-Fund is exposed to the credit risk of the issuer of the collateral as such issuer may fail to discharge an obligation under the security that is part of the collateral.

Custody risk: the collateral is part of the Sub-Funds' assets held in custody by the Depositary and the duly appointed sub-custodians, which exposes the Sub-Fund to risks of loss associated to the depositary function if the Depositary/sub-custodian fails to perform its duties (improper performance) and if the Depositary/sub-custodian defaults.

Legal risk: such risk arises when dispositions of contractual arrangements related to OTC derivatives are amended resulting in an alteration of the magnitude of margin calls.

i. Limited recourse

The Company has an umbrella structure with multiple compartments (each compartment being referred to as a Sub-Fund). Each Sub-Fund, although not a separate legal entity, corresponds to a distinct part of the assets and liabilities of the Company under Luxembourg law, and consequently benefits from limited liability in accordance with the provisions of the Company's constitutive documents and Luxembourg law. When dealing for the account of a specified Sub-Fund, the Company will endeavour where possible to obtain a contractual acknowledgement from trading counterparties (each a "Counterparty") that the Company's obligation to that Counterparty will be limited to the assets of the specified Sub-Fund and that the Counterparty shall have no recourse to the assets of any other Sub-Fund. It may not however always be possible to obtain such an acknowledgement and in the event that (i) a Counterparty holds assets of more than one Sub-Fund; and (ii) the courts of the jurisdiction in which the assets are situated do not uphold the Luxembourg principle of limited liability as mentioned above, it is possible that the assets of one Sub-Fund could be used to satisfy the obligations of another Sub-Fund.

j. Options / Warrants

An option is a contract that gives the buyer the right, but not the obligation, to buy (call) or sell (put) the underlying asset at or within a certain point in time in the futures at a pre-determined price (strike price) against the payment of a premium, which represent the maximum loss for the buyer of an option.

Options can allow the Investment Manager to cost-effectively be able to restrict downsides while enjoying the full upside of a stock, financial index, etc. Long positions in option may be taken to provide insurance against adverse movements in the underlying. Short position may also be taken to enhance total returns and generate income for the Sub-Fund via premium received. The writing and purchase of options is a specialised activity which can involve substantial risks. If the Investment

Manager is incorrect in its expectation of changes in the market prices or determination of the correlation between the instruments or indices on which the options are written or purchased and the instruments in a Sub-Fund's investment portfolio, the Sub-Fund may incur losses that it would not otherwise incur.

k. Forwards

A forward is a contract whereby two parties agree to exchange the underlying asset at a predetermined point in time in the future at a fixed price. The buyer agrees today to buy a certain asset in the future and the seller agrees to deliver that asset at that point in time.

Forward contracts, 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 trading is substantially unregulated; there is no limitation on daily price movements. The principals who deal in the forward markets are not required to continue to make markets in the underlying securities they trade and these markets may experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Sub-Funds due to unusually high trading volume, political intervention or other factors. In respect of such trading, the Sub-Funds are subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Sub-Funds.

l. Futures

Futures are standardised forwards traded on an organized exchange. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

m. Contract for Difference

A CFD is a contract between two parties that allows them to gain exposure to the economic performance and cash flows of a security without the need for actually buying or selling the security. The two parties agree that the seller will pay the buyer the difference in price after a certain period of time if the designated security's price increases, and the buyer will in return pay the seller the difference in price if the security's price decreases. It is linked to the underlying security price. Consequently, no right is acquired or obligation incurred relating to the underlying share.

The Sub-Funds can take synthetic long or synthetic short positions with a variable margin via CFD. They are highly leveraged instruments and for a small deposit, it is possible for a Sub-Fund to hold a position much greater than would be possible with a traditional investment. In case of substantial and adverse market movements, the potential exists to lose all of the money originally deposited and to remain liable to pay additional funds immediately to maintain the margin requirement.

n. Swaps (including IRS and TRS)

In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments.

The Sub-Funds may enter swap transactions with a view to effecting synthetic long and short positions in certain securities, sectors or indices. 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, currency values, corporate borrowing rates, inflation rates, or other factors such as single equity securities, baskets of equity securities or equity indices. Swap agreements can take many different forms and are known by a variety of names.

An IRS is an agreement to exchange one set of cash flows (perceived as risky, as linked to e.g. a floating interest rate) against another set of cash flows (perceived as stable, as linked to, e.g. a fixed interest rate).

A TRS is an agreement that involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset (such as for example an equity), index or basket of assets against the rights to make fixed or floating payments or another equity return.

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-Fund. If a swap agreement calls for payments by the Sub-Fund, the Sub-Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Sub-Fund.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms, acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

o. Credit Default Swaps

A CDS is an agreement in which one party buys protection against losses occurring due to a credit event of a reference entity up to the maturity date of the swap. The protection buyer pays a periodic fee for this protection up to the maturity date, unless a credit event triggers the contingent payment. In the latter case, the buyer of protection only needs to pay the accrued fee up to the day of the credit event. If a credit event occurs, the settlement will be either in cash or physical: (i) Cash settlement: the seller of protection will pay to the buyer of protection the net amount between the nominal value and the market value of the security; (ii) Physical settlement: the buyer of protection will deliver a bond or a loan of the reference entity to the seller of protection and the latter will pay the par value in return. Credit events for CDS are typically: bankruptcy, failure to pay, and restructuring.

The Sub-Funds can take synthetic long or short positions in certain securities via CDS. The use of CDS may carry a higher risk than investing in bonds directly. A CDS allows the transfer of default risk. CDS can either serve as a substitute for purchasing corporate bonds or they can hedge specific corporate bond exposure or reduce exposure to credit basis risk. If the Sub-Fund is a buyer and no event of default occurs, the Sub-Fund will lose its investment and recover nothing. However, if an event of default occurs, the buyer Sub-Fund will receive the amount above mentioned depending on cash or physical settlement. If the Sub-Fund is a seller, it will receive a fixed rate of income throughout the term of the contract provided no credit event occurs. In the latter case, the Sub-Fund will have to pay the amount provided in the contract.

All Sub-Fund using Credit Default Swaps may, in the case of a credit event, have to accept delivery of non-investment-grade bonds issued in a currency other than the Reference Currency. The delivery of such non-investment-grade bonds in a currency other than the Reference Currency will not be regarded as a breach of investment policy for those Sub-Funds which may only be invested in investment-grade-bonds or in bonds issued in the Reference Currency.

The market for CDS may sometimes be more illiquid than bond markets.

2.9 Emerging Market Risk

General - In Emerging Markets, to which the Sub-Funds may be exposed, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their counterparties. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders and (xiv) less formalised procedures for corporate actions (no central source of identification, no formal notification) and proxy voting.

Exchange Rate Fluctuations Risk - In accordance with the investment objectives of certain Sub-Funds, the assets will be invested primarily in securities of companies in developing countries and substantially all income will be received by these Sub-Funds in currencies of such countries. A number of the currencies of developing countries have already experienced and could experience significant declines against the major currencies in recent years and devaluation may occur suddenly. Where possible, hedging strategies will be implemented but they cannot totally eliminate unfavorable currency fluctuations. Some currencies are not freely convertible currencies.

Custody Risk - The Company may also have to utilise local service providers for the safekeeping of the assets and for the execution of securities transactions. Although the Company intends to use only the best-qualified service providers in each of the markets concerned, the choice of providers in some emerging countries may be very limited. These providers may not offer guarantees comparable to those given by firms operating in developed countries. Accordingly, the quality of the services that the Company may obtain with regard to the execution of transactions on securities and their custody may be less reliable.

Settlement and Trading Risk - Settlement systems in Emerging Markets may be less well organized than in developed markets. Emerging Markets may not employ true Delivery versus Payment. Thus, there may be risks that settlement may be delayed and that cash or securities of these Sub-Funds may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. Exchanges on Emerging Markets may not have a settlement guarantee fund in case of temporary securities or cash shortfalls or in the event of a counterparty default or broker malpractice. The Company will seek, where possible, to use counterparties whose financial status is such that the risk of default is reduced, but the risk of losses resulting from default cannot be totally eliminated. Some markets may have specific trading restrictions.

Registration of Securities - In some countries, there is no recognition of "nominee" ownership. Registration must be done with the issuer in the final beneficial owner's name.

Regulatory Risk - Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Company are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Company and its operations. In addition, the income and gains of the Sub-Funds may be subject to withholding taxes imposed by foreign governments for which unitholders may not receive a full foreign tax credit.

Investment and repatriation restrictions risk - Some countries prohibit or impose substantial restrictions on investments by foreign entities. Certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some developing countries. It may have an adverse impact on the operations of a Sub-Fund. While the Sub-Funds will invest only in markets where these restrictions are considered acceptable, new or additional restrictions might be imposed subsequent to the initial investment and thus may restrict the Investment Manager's ability to manage effectively such assets and could ultimately result in a substantial loss.

Investment in PRC - The securities markets in the PRC are Emerging Markets that are undergoing rapid growth and changes. Most PRC laws and regulations governing securities and corporations might be subject to unpredictable changes and development. The effect of such changes can be retrospective and can have an adverse impact on the investments of the Sub-Funds.

Trading China A-Shares, if contemplated by a Sub-Fund, will be achieved through the Shanghai-Hong Kong Stock Connect ("Stock Connect", please also see the Definitions section). Stock Connect is still developing and will be open to all investors without the requirement of a licence and there are only limited restrictions relating to, inter alia, settlement currency, locking up the proceeds of sale or delaying repatriation of those proceeds. A particular risk around Stock Connect is the manner in which assets are held as part of the Stock Connect and ensuring proper segregation of those assets. Compared to a clearing system in a non-Emerging Market, there is a greater risk of assets being lost or being unable to be properly identified as belonging to the Company when utilizing Stock Connect. The Company may commence recourse to Stock Connect for a Sub-Fund only when it is reasonably satisfied that such trading facility is permissible according to the relevant laws and regulations applicable to the Company. Also, a Sub-Fund may seek exposure to China A-Shares using market access products such as warrants and participating or "P" notes or other forms of structured products or derivatives with a similar purpose.

Although the above mentioned trading facilities are signs of a greater internationalization of the RMB and the liberalization of China's financial markets, it should also be noted that (i) China A-Shares held through Stock Connect directly or via market access products may have limited voting rights and (ii) the renminbi is subject to foreign exchange restrictions and is not a fully convertible currency. The exchange rate used for the Sub-Funds is in relation to the offshore renminbi ("CNH"), not the onshore renminbi ("CNY"). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including those mentioned above.

Risks relating to Stock Connect

Under Stock Connect, the Company through its Hong Kong brokers may trade certain eligible securities listed and traded on the SSE, including China A-Shares (the "SSE Securities"). Such trading is subject to the laws and regulations of PRC and Hong Kong and the relevant rules, policies or guidelines issued from time to time.

Segregation and beneficial ownership of SSE Securities

The SSE Securities are held in a nominee account in the name of HKSCC, opened with ChinaClear, which is an omnibus account in which all SSE Securities of the investors of Stock Connect are commingled. The SSE Securities are beneficially owned by the investors (a Sub-Fund) and are segregated from the own assets of HKSCC.

In addition, the SSE Securities beneficially owned by investors (including a Sub-Fund) will be segregated in the accounts opened with HKSCC by relevant sub-custodians, and in the accounts opened with the relevant sub-custodians of such Sub-Fund in the CCASS maintained by the HKSCC as the central securities depository in Hong Kong.

PRC laws suggest that the Sub-Fund would have beneficial ownership of SSE Securities. It is expressly stipulated in the Several Provisions on the Pilot Programme of Stock Connect (as published by the China Securities Regulatory Commission to prescribe the launch and operation of the Stock Connect) that HKSCC acts as the nominee holder and the Sub-Fund would own the rights and interests with respect to the SSE Securities. The SEHK has also stated that it is the Sub-Fund who is the beneficial owner of the SSE Securities.

However, it should be noted that the exact nature and methods of enforcement of the rights and interests of a Sub-Fund under PRC law is not certain and there have been few cases involving a nominee account structure in the PRC courts.

It should also be noted that as with other clearing systems or central securities depositories, Stock Connect is not obliged to enforce the rights of a Sub-Fund in the PRC courts. If a Sub-Fund wishes to enforce its beneficial ownership rights in the PRC courts, it will need to consider the legal and procedural issues at the relevant time.

Quota limitations

Stock Connect is subject to an aggregate cross-boundary investment quota as well as a daily quota which does not belong to a Sub-Fund and can only be utilised on a first-come-first-served basis. In particular, once the remaining balance of the Northbound daily quota drops to zero or the Northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a relevant Sub-Fund's ability to invest in SSE Securities through Stock Connect on a timely basis, and a Sub-Fund may not be able to effectively pursue its investment strategies.

Settlement

The Company will set up arrangements with its Hong Kong brokers and sub-custodian to ensure that cash payment is received against delivery of securities for the trades of the SSE Securities (delivery versus payment settlement). To this end, for the trades of the SSE Securities by a Sub-Fund, Hong Kong brokers will credit or debit the cash account of a Sub-Fund on the same day for the settlement of securities, for an amount equal to the funds relating to such trading.

Clearing and settlement risk

HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should a ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

No Protection by Investor Compensation Fund

Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. A Sub-Fund's investments through Northbound trading under Stock Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore Sub-Funds are exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities through Stock Connect.

Suspension risk

Both the SEHK and SSE reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Stock Connect is effected, the relevant Sub-Fund's ability to access the PRC market will be adversely affected.

Differences in trading day

Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but not for the Hong Kong market, in which case a Sub-Fund will not be able to access the PRC market via Stock Connect. A Sub-Fund may be subject to a risk of price fluctuations in SSE Securities during the time when Stock Connect is not trading as a result.

Operational risk

Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly. Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial programme to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in Stock Connect requires routing of orders across the PRC-Hong Kong border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. A Sub-Fund's ability to access the SSE Securities market (and hence to pursue its investment objective) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

PRC regulations require that before an investor sells any SSE Securities, there should be sufficient SSE Securities in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on SSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Sub-Fund desires to sell certain SSE Securities it holds, it must transfer those SSE Securities to the respective accounts of its brokers before the market opens on the day of trading. If it fails to meet this deadline, it will not be able to sell those SSE Securities on the trading day. Because of this requirement, the relevant Sub-Fund may not be able to dispose of holdings of SSE Securities in a timely manner.

Regulatory risk

Stock Connect is novel in nature, and will be subject to regulations circulated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be circulated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. A Sub-Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

Taxation risk

On 14 November 2014, the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission published the Circular on relevant Tax Treatment for the Pilot Programme of Shanghai-Hong Kong Stock Connect. Such circular provides that funds investing in SSE Securities via Stock Connect are temporarily exempt from income tax on capital gains derived from the transfer of SSE Securities on or after 17 November 2014 (the "Stock Connect Exemption"). Dividends from SSE Securities paid to a fund will continue to be subject to 10% withholding tax which is to be withheld at source. It is possible that any new tax laws and regulations and any new interpretations may be applied retroactively.

CIBM

CIBM is an OTC market where institutional investors trade sovereign, government and corporate bonds on a one-to-one quote-driven basis and accounts for almost all of outstanding bond values of total trading volume in China.

Investors should be aware that trading on the CIBM exposes the Sub-Fund to certain risks (counterparties risk, liquidity risk, settlement risk).

Settlement risk

There are various transaction settlement methods in the CIBM and although favorable terms are negotiated in the name of the Sub-Fund, there is no assurance that settlement risks can be eliminated. Where the counterparty fails to perform its obligations under a transaction, the Sub-Fund will sustain losses.

All bond trades will be settled through ChinaClear. ChinaClear operates under the supervision of the relevant Chinese authorities.

If a participant defaults in payment of any sum payable to ChinaClear, the latter has the power to apply the funds available towards the satisfaction of any amount due to ChinaClear either from (i) cash collateral provided by the defaulting participant; (ii) cash held in the joint guarantee fund contributed by the defaulting participant; or (iii) cash generated by the sale of securities. The defaulting party will be responsible for the expenses and any price differences resulting from the sale of the securities.

If a participant defaults in delivering securities, ChinaClear is entitled to delay the payment due to the delivering participant until the outstanding obligation is satisfied. In addition, ChinaClear may apply all or any securities (in lieu of the securities that are the subject of the delivery obligations) from the following sources to satisfy the obligations and liabilities of such participant to ChinaClear:

- (i) securities furnished by the defaulting party;
- (ii) securities purchased using the funds in the designated escrow account; or
- (iii) securities available to ChinaClear from other alternative sources.

Although ChinaClear is due to deliver payment and securities to delivering participant and receiving participants, respectively, a delay may occur if either party fails to fulfil its payment or delivery obligation.

PRC has undertaken the liberalization to its financial markets by proposing or facilitating the access to several investment programs. Further to a revision in 2016, access to CIBM has been facilitated ("CIBM Facilitated Access"). Foreign institutional investors may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent"), which has the responsibility for making the relevant filings and account opening with the relevant PRC authorities in particular the PBOC.

The CIBM Facilitated Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Facilitated Access rules and regulations will not be abolished in the future. A Sub-Fund, which invests in the PRC markets through the CIBM Facilitated Access, may be adversely affected as a result of any such changes or abolition.

Restrictions to Remittances and Repatriations Risk

Foreign investors (such as the Sub-Fund) may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM under the CIBM Facilitated Access. A Sub-Fund using the CIBM Facilitated Access will need to remit investment principal matching at least 50 % of its anticipated investment size within nine (9) months after filing with the PBOC, or else an updated filing will need to be made through the onshore Bond Settlement Agent.

Where a Sub-Fund repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into PRC, with a permissible deviation of 10%. However, to the extent an outward repatriation is in the same currency as the inward remittance the Currency Ratio restriction will not apply.

Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Facilitated Access and/or the Bond Settlement Agent which may have an adverse effect on the Sub-Fund's liquidity and performance. Repatriations conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval, although authenticity and compliance reviews will be conducted, and reports on remittances and repatriations will be submitted to the relevant PRC authorities by the Bond Settlement Agent. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Furthermore, as the Bond Settlement Agent's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Bond Settlement Agent in case of non-compliance with the CIBM Facilitated Access rules and regulations. Any restrictions imposed in the future by the PRC authorities, or rejection or delay by the Bond Settlement Agent, on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests from the shareholders. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

Securities and cash accounts

Beneficial ownership of RMB securities acquired through CIBM Facilitated Access has been acknowledged in documentation released by the PBOC and PRC authorities. Beneficial ownership is however an untested concept in the PRC. Investors should note that cash deposited in the cash account of the Sub-Fund with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the Bond Settlement Agent. The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

Bond Settlement Agent Risk

There is a risk that the Sub-Fund may suffer losses, whether direct or consequential, from: (i) the acts or omissions in the settlement of any transaction or in the transfer of funds or securities by the Bond Settlement Agent; or (ii) the default or bankruptcy of the Bond Settlement Agent; or (iii) the disqualification of the Bond Settlement Agent from acting in such capacity either on a temporary or permanent basis. Such acts, omissions, default or disqualification may also adversely affect a Sub-Fund in implementing its investment strategy or disrupt the operations of a Sub-Fund, including causing delays in the settlement of any transaction or the transfer of any funds or securities in the PRC or in recovering assets, which may in turn adversely impact the net asset value of a Sub-Fund.

In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Facilitated Access rules. Such sanctions may adversely impact on the investment by the Sub-Fund through the CIBM Facilitated Access.

Risks associated with Bond Connect

Bond Connect is a mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Stock Exchange of Hong Kong Limited and Central Moneymarkets Unit. China bond market primarily consists of CIBM. Eligible foreign investors can invest in the CIBM under the northbound trading of Bond Connect ("Northbound Trading"). Northbound Trading will follow the current policy framework for overseas participation in the CIBM. There will be no investment quota for Northbound Trading.

Under the prevailing regulations in mainland China, eligible foreign investors who wish to invest in the CIBM via Bond Connect may do so via an offshore custody agent approved by the Hong Kong Monetary Authority, who will be responsible for the account opening with the relevant onshore custody agent approved by PBOC.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the relevant Sub-Fund transacts in the CIBM, the relevant Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the relevant Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the account opening for investment in the CIBM via Bond Connect has to be carried out via an offshore custody agent, the relevant Sub-Fund is subject to the risks of default or errors on the part of the offshore custody agent.

Bond Connect is subject to regulatory risks. The relevant rules and regulations on investment via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading via Bond Connect, the relevant Sub-Fund's ability to invest in CIBM will be limited and, may have an adverse effect on the relevant Sub-Fund's performance as the relevant Sub-Fund may be required to dispose of its CIBM holdings. The relevant Sub-Fund may also suffer substantial losses as a result.

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence it is uncertain as to the relevant Sub-Fund's tax liabilities for trading in CIBM via Bond Connect. Also it is possible that any new tax laws and regulations and any new interpretations may be applied retroactively.

Liquidity risk - As these Sub-Funds invest a high proportion of their assets in emerging-market securities which tend to be less liquid than those of developed markets, investors should consider a shareholding in these Sub-Funds to be a long-term investment and be aware that it may not always be possible to make redemption payments within the usual time frame.

2.10 Russian Registration Risk / Investment in Russia

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depository). No certificates representing ownership of Russian companies will be held by the Depository or any sub-custodian or in an effective central depository system. As a result of this system and the lack of state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight.

In addition, investments in Russia may also be impacted in the context of the geopolitical crisis in Eastern Europe involving Russia and Ukraine. Western countries have taken sanctions against Russia. This may lead Russia to take counter measures against some Western and other countries. As a result, the Russian economy may be adversely impacted and Russia may become a more risky investment

with higher volatility on certain markets, restrictions on foreign investments in Russia, difficulties to liquidate Russian investments or expatriation of funds out of Russia.

The Moscow Exchange MICEX-RTS is the sole market qualifying as a Regulated Market in Russia.

2.11 Regional or Sectorial Concentration Risk

Concentration risk on certain countries/regions - Where a Sub-Fund restricts itself to investing in securities of issuers located in a particular country or region, such concentration will expose the Sub-Fund to the risk of adverse social, political or economic events which may occur in that country or region. The risk increases if the country or region in question is an Emerging Market.

Concentration risk on certain sectors - Where a Sub-Fund restricts itself to invest in a certain sector, such as technology or healthcare, it may be sensitive to factors affecting technology-related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering different economic sectors. Technology, technology-related, healthcare industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse affect on these industries. Additionally, these companies may be subject to risk of developing technologies, competitive pressures and other factors as well as a relatively high risk of obsolescence caused by scientific and technological advances and are depended upon consumer and business acceptance as new technologies evolve. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in such companies set out above. The development of these sector-specific investments may differ from the general stock exchange trend.

2.12 Model Risk

Sub-Funds that apply quantitative management methods or systematic process or strategies, rely for their management process on models based to a varying extent on past market conditions. Given the uncertainty of the future, these models may not necessarily capture the risk they were designed and expected to capture and hence could signal erroneous investment opportunities.

2.13 ABS Risk and MBS Risk

ABS and MBS are securities backed by financial assets whose nature varies and determine the qualification of the security.

MBS are securities that represent direct or indirect participation in, or are collateralized by and payable from, mortgage loans secured by real property or instruments derived from such loans. The payment of principal and interest and the price of a MBS generally depend on the cash flows generated by the underlying mortgages and the terms of the MBS. MBS are backed by different types of mortgages, including commercial and residential properties. MBS are issued by government and non-government entities and include various types of securities such as pass-throughs, collateralized mortgage obligations and stripped MBS.

Certain MBS represent interests in pools of mortgage loans assembled for sale to investors by various governmental agencies, such as the US Government National Mortgage Association (GNMA), by government-related organizations, such as the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC), and by private issuers, such as commercial banks, savings and loan institutions and mortgage companies.

Private, government, or government-related entities may create mortgage loan pools offering pass-through investments. Interests in pools of mortgage-related securities differ from other forms of debt instruments, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Instead, these securities typically provide a monthly payment which consists of both interest and principal payments. These payments generally are a "pass-through" of the monthly payments made by the individual borrowers on their residential or commercial loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs incurred. Pass-through securities issued by the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC) are guaranteed as to timely payment of principal and interest by the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC). Private MBS represent interest in pools consisting of residential or commercial mortgage loans created by non-government issuers, such as commercial banks and savings and loan associations and private mortgage companies. Private MBS securities may be subject to greater credit risk and be more volatile than government or government-related MBS. In addition, private MBS may be less liquid than government or government-related MBS.

Collateralized mortgage obligations are debt obligations of a legal entity that are collateralized by mortgages. They are typically rated by a rating agency and are structured into multiple classes, often referred to as "tranches", with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including pre-payments. The shorter, more senior tranches will generally be lower risk than the longer dated, more junior tranches.

Stripped MBS are derivative multi-class MBS. Stripped MBS may be issued by agencies or instrumentalities of the U.S. government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks, and special purpose entities formed or sponsored by any of the foregoing. Stripped MBS may be less liquid than other types of MBS. Stripped MBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. A common type of Stripped MBS will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (interest-only), while the other class will receive all of the principal (principal-only).

ABS are very similar to MBS, except that the securities are collateralized by other types of assets besides mortgages, such as credit card receivables, home-equity loans, manufactured homes, automobile loans, student loans, equipment leases, or senior bank loans, among others. The assets can be a pool of assets or a single asset. ABS that represent an interest in a pool of assets provide greater credit diversification than ABS that represent an interest in a single asset. Payment of interest and repayment of principal on ABS may be largely dependent upon the cash flows generated by the underlying assets and, in certain cases, may be supported by letters of credit, surety bonds, or other credit enhancements.

The credit quality of ABS depends primarily on the quality of the underlying assets, the rights of recourse available against the underlying assets and/or the issuer, the level of credit enhancement, if any, provided for the securities, and the credit quality of the credit-support provider, if any. The value of ABS may be affected by the various factors, such as changes in interest rates, the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the underlying assets, or the entities providing the credit enhancement. ABS that do not have the benefit of a security interest in the underlying assets present certain additional risks that are not present with ABS that do have a security interest in the underlying assets.

MBS and ABS are subject to pre-payment, extension and default risks.

Prepayment risk is the risk that principal is paid back over the life of the security rather than at maturity, as the underlying obligations are subject to unscheduled pre-payments of principal before the security's maturity date due to voluntary prepayments, refinancings or foreclosures on the underlying loans. Some types of ABS are often subject to more rapid repayment than their stated maturity date would indicate, as a result of the pass-through of prepayments of principal on the underlying assets. The rate of principal payments on these ABS is related to the rate of principal payments on the underlying asset pool and related to the priority of payment of the security with respect to the asset pool. The occurrence of prepayments is a function of several factors, such as the level of interest rates, general economic conditions, the location, and age of the underlying obligations, asset default and recovery rates, and other social and demographic conditions. Because prepayments of principal generally occur when interest rates are declining, an investor generally has to reinvest the proceeds of such prepayments at lower interest rates than those at which its assets were previously invested. Therefore, these ABS may have less potential for capital appreciation in periods of falling interest rates than other income-bearing securities of comparable maturity. Also, the interest-only and principal-only securities mentioned above are highly sensitive to the pre-payment experience associated with the underlying mortgages and will behave in opposite ways to the same trend in pre-payments. For interest-only securities, early pre-payments within the pool will mean less than expected interest payments since the mortgages will have terminated, adversely affecting security holders. For principal-only securities, early pre-payments within the pool will mean quicker repayment of principal than expected, benefiting security holders. Because of the highly sensitive nature of these securities, the possibility of sharp declines in prices is much greater compared to conventional MBS.

Extension risk is the risk that debt obligations will be paid off more slowly than originally anticipated, increasing the average life of such debt obligations and the sensitivity of the prices of such debt obligations to future interest rate changes. For example, rising interest rates could cause property owners to pay their mortgages more slowly than expected, resulting in slower payments of mortgage backed debt obligations. This could lengthen the duration of the debt obligation, making its price more sensitive to interest rate changes, and increase the potential for loss.

Default risk is the risk of default on the underlying assets that back the security. Weakening credit fundamentals associated with the underlying assets that back ABS/MBS securities may cause default rates to rise, which would result in a decline in the value of ABS/MBS obligations.

Because of their specific features, ABS/MBS may also be subject to higher interest rate, credit, and liquidity risks than other debt securities such as government bonds.

ABS/MBS may be structured as synthetic securities. For example, the CMBX is a credit default swap on a basket of commercial MBS bonds, constituting in effect a CMBS index. By purchasing such an instrument, the Sub-Funds are buying protection (i.e. the ability to get par for the bonds in the event of an unfavorable credit event), allowing the Sub-Funds to hedge their exposure or go short the commercial MBS sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Sub-Funds are selling protection and effectively getting long exposure to the commercial MBS sector more quickly and efficiently than by purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying ABS or MBS securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

If any of the risk mentioned above materializes, the Sub-Funds may fail to recoup some or all of their initial investment in the securities, notwithstanding the existence of mechanisms such as credit enhancement or seniority.

ANNEX C: SFDR

LO Funds III – Global Government Fundamental	90
LO Funds III – Emerging Local Currency Bond Fundamental	96

Environmental and/or social characteristics

Sustainable investment

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

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

Does this financial product have a sustainable investment objective?

Yes

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: [insert %]***

No

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**

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

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.



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

The Investment Manager seeks to make a measurable assessment of the positive ESG characteristics of the Sub-Fund's investments as an integral part of its investment process with a view to promoting the Sustainable Development Goals defined by the United Nations.

No benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

The principal indicators used by the Investment Manager to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund are:

- GHG Intensity
- Social violations, inequality and freedom of expression
- Human rights
- Governance

The Investment Manager complements its traditional sovereign credit assessment with an analytical framework that integrates sustainability risk factors in a holistic way. Alongside usual macro criteria, broader ESG considerations are integrated in the sovereign bond risk assessment. The Investment Manager has developed an in-house model (the "**LO Sovereign Scoring Methodology**") to independently assess sovereign issuers' alignment with Human and Environmental Rights standards and the United Nations Sustainable Development goals (SDGs). The model covers a broad spectrum of environmental, social and governance issues, including inequalities, social cohesion, quality of public services, water and food supply, energy security, global warming mitigation and resilience, biodiversity protection, pollutions, regulatory effectiveness, institutional strength and political stability. A selection of dataset sourced from diverse supra-national bodies, universities, research institutes and major NGO's is used to inform the investment decisions. The data collected is normalized into indicators from 0 to 100 points (100 being the highest). The methodology embeds the Investment Manager's proprietary 'Consciousness', 'Actions' and 'Results' ('CAR') methodology which overweighs the 'R' component – indicators linked to definitive outcomes.

The Investment Manager will invest at least 50% of the Sub-Fund's assets in sovereign issuers with a score of 55 or greater under the LO Sovereign Scoring Methodology.

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

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

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



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

Yes

No

The LO Sovereign Scoring Methodology takes into consideration the following principal adverse impacts (“PAIs”) set out in the relevant tables of Annex I of the SFDR RTS 2022/1288:

Table 1 - PAI 15 - GHG Intensity

Table 1 - PAI 16 - Investee countries subject to social violations

Table 3 - PAI 18 - Average income inequality score

Table 3 - PAI 19 - Average freedom of expression score

Table 3 - PAI 20 - Average human rights performance

Table 3 - PAI 21 - Average corruption score

Table 3 - PAI 23 - Average political stability score

Table 3 - PAI 24 - Average rule of law score

Information on PAI on sustainability factors is available in the annual report.



What investment strategy does this financial product follow?

The Sub-Fund invests mainly in bonds, other fixed or floating-rate debt securities and short-term debt securities issued or guaranteed by sovereign issuers participating in the OECD and/or by supranational institutions.

The Sub-Fund does not specifically include an assessment of environmental or social considerations in its investment policy. The Investment Manager has, however, integrated sustainability risks into its own investment processes/strategy for the Sub-Fund by (i) filtering prospective investments based upon an assessment of their ESG profile using the LO Sovereign Scoring Methodology as described above; and (ii) considering data points linked to PAIs as described above.

- ***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?***

Minimum scoring

The Investment Manager will invest at least 50% of the Sub-Fund’s assets in sovereign issuers with a score of 55 or greater under the LO Sovereign Scoring Methodology.

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

Good governance

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

Sanctions policy

The Investment Manager refrains from investing in financial instruments issued by countries under financial sanctions and embargos programs established by Luxembourg, Switzerland, United Nations, European Union, United Kingdom and United States (notably the Office of Foreign Assets Control, "OFAC"), in addition to any locally applicable sanctions program, based on the relevant jurisdiction.

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

There is no committed rate to reduce the scope of investments prior to the application of the investment strategy.

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

Good governance is assessed through the assessment of the following PAIs:

Table 3 - PAI 21 - Average corruption score

Table 3 - PAI 23 - Average political stability score

Table 3 - PAI 24 - Average rule of law score

Asset allocation

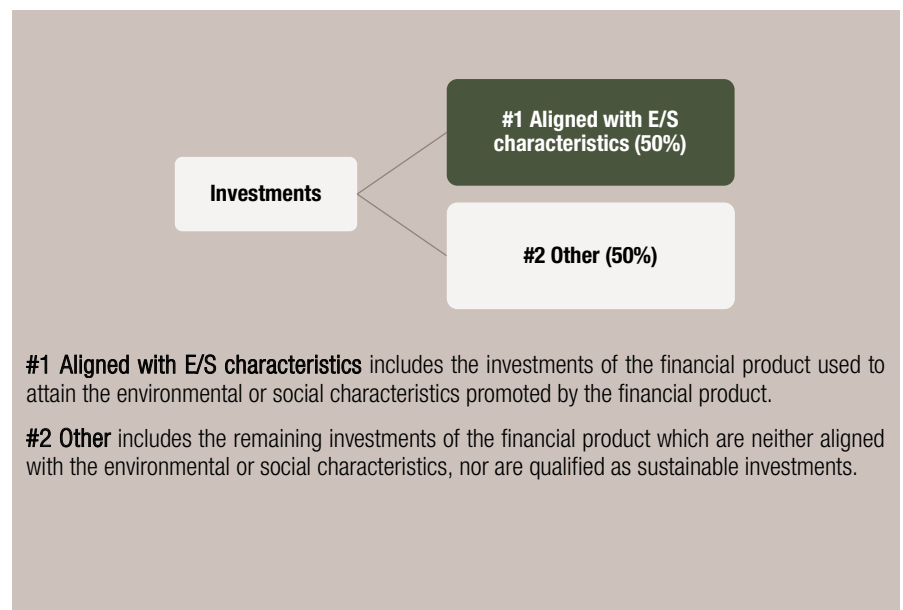
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



What is the asset allocation planned for this financial product?



#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.

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

The Sub-Fund does not use derivatives to attain the environmental or social characteristics promoted by the Sub-Fund.

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.

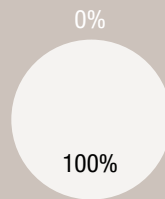
 are sustainable investments with an environmental objective that **do not take into account criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

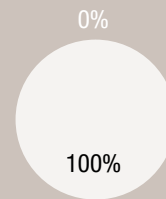
The two graphs show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all investments of the financial product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

1. Taxonomy-alignment of investments including sovereign bonds*



■ Taxonomy-aligned ■ Other investments

2. Taxonomy-alignment of investments excluding sovereign bonds*



■ Taxonomy-aligned ■ Other investments

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

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

Not applicable



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

0%



What is the minimum share of socially sustainable investments?

0%



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

Investments classified as "#2 Other" include investments in sovereign issuers with a score of less than 55 under the LO Sovereign Scoring Methodology. The purpose of such investments is principally to reflect broad market allocation and diversification. To ensure minimum social safeguards, the Investment Manager refrains from investing in financial instruments issued by countries under financial sanctions and embargos programs established by Luxembourg, Switzerland, United Nations, European Union, United Kingdom and United States (notably the Office of Foreign Assets Control, "OFAC"), in addition to any locally applicable sanctions program, based on the relevant jurisdiction. '#2 Other' also includes Cash and Cash Equivalents (for instance to achieve investment goals, for treasury purposes or in case of unfavorable market conditions) and derivatives (used for instance for hedging purposes).

Reference benchmarks

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



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?

No

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



Where can I find more product specific information online?

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

www.loim.com

Environmental and/or social characteristics

Sustainable investment

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

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

Does this financial product have a sustainable investment objective?

Yes

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: [insert %]***

No

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**

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

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.



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

The Investment Manager seeks to make a measurable assessment of the positive ESG characteristics of the Sub-Fund's investments as an integral part of its investment process with a view to promoting the Sustainable Development Goals defined by the United Nations.

No benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

The principal indicators used by the Investment Manager to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund are:

- GHG Intensity
- Social violations, inequality and freedom of expression
- Human rights
- Governance

The Investment Manager complements its traditional sovereign credit assessment with an analytical framework that integrates sustainability risk factors in a holistic way. Alongside usual macro criteria, broader ESG considerations are integrated in the sovereign bond risk assessment. The Investment Manager has developed an in-house model (the "**LO Sovereign Scoring Methodology**") to independently assess sovereign issuers' alignment with Human and Environmental Rights standards and the United Nations Sustainable Development goals (SDGs). The model covers a broad spectrum of environmental, social and governance issues, including inequalities, social cohesion, quality of public services, water and food supply, energy security, global warming mitigation and resilience, biodiversity protection, pollutions, regulatory effectiveness, institutional strength and political stability. A selection of dataset sourced from diverse supra-national bodies, universities, research institutes and major NGO's is used to inform the investment decisions. The data collected is normalized into indicators from 0 to 100 points (100 being the highest). The methodology embeds the Investment Manager's proprietary 'Consciousness', 'Actions' and 'Results' ('CAR') methodology which overweighs the 'R' component – indicators linked to definitive outcomes.

The Investment Manager will invest at least 50% of the Sub-Fund's assets in sovereign issuers with a score of 55 or greater under the LO Sovereign Scoring Methodology.

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

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

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



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

Yes

No

The LO Sovereign Scoring Methodology takes into consideration the following principal adverse impacts (“PAIs”) set out in the relevant tables of Annex I of the SFDR RTS 2022/1288:

Table 1 - PAI 15 - GHG Intensity

Table 1 - PAI 16 - Investee countries subject to social violations

Table 3 - PAI 18 - Average income inequality score

Table 3 - PAI 19 - Average freedom of expression score

Table 3 - PAI 20 - Average human rights performance

Table 3 - PAI 21 - Average corruption score

Table 3 - PAI 23 - Average political stability score

Table 3 - PAI 24 - Average rule of law score

Information on PAI on sustainability factors is available in the annual report.



What investment strategy does this financial product follow?

The Sub-Fund invests in bonds, other fixed or floating-rate debt securities and short-term debt instruments issued or guaranteed by Emerging Market sovereign entities or corporate entities incorporated or exercising a prominent part of their business activities in Emerging Markets, denominated in OECD currencies and/or Emerging Market currencies.

The Sub-Fund does not specifically include an assessment of environmental or social considerations in its investment policy. The Investment Manager has, however, integrated sustainability risks into its own investment processes/strategy for the Sub-Fund by (i) filtering prospective investments based upon an assessment of their ESG profile using the LO Sovereign Scoring Methodology as described above; and (ii) considering data points linked to PAIs as described above.

- ***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?***

Minimum scoring

The Investment Manager will invest at least 50% of the Sub-Fund’s assets in sovereign issuers with a score of 55 or greater under the LO Sovereign Scoring Methodology.

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

Good governance

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

Sanctions policy

The Investment Manager refrains from investing in financial instruments issued by countries under financial sanctions and embargos programs established by Luxembourg, Switzerland, United Nations, European Union, United Kingdom and United States (notably the Office of Foreign Assets Control, "OFAC"), in addition to any locally applicable sanctions program, based on the relevant jurisdiction.

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

There is no committed rate to reduce the scope of investments prior to the application of the investment strategy.

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

Good governance is assessed through the assessment of the following PAIs:

Table 3 - PAI 21 - Average corruption score

Table 3 - PAI 23 - Average political stability score

Table 3 - PAI 24 - Average rule of law score

Asset allocation

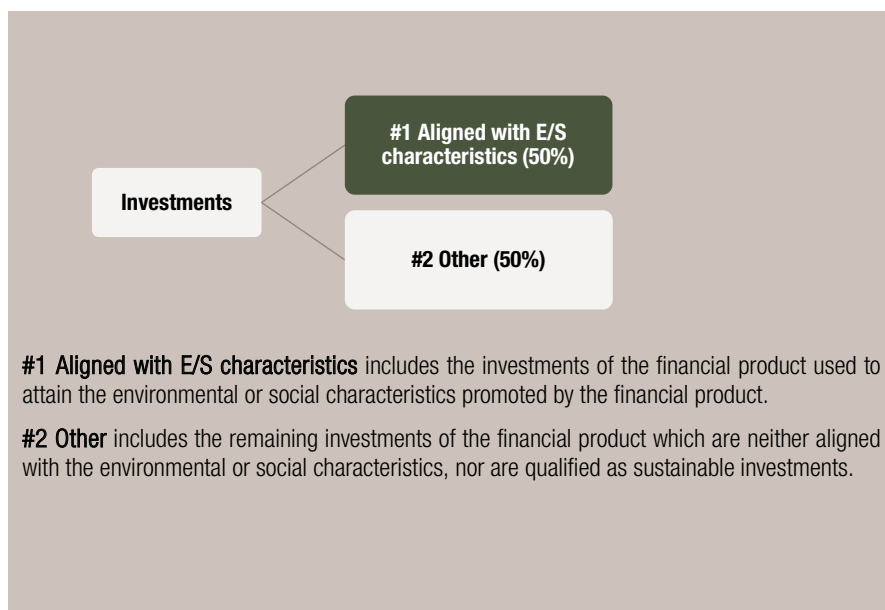
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



What is the asset allocation planned for this financial product?



#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.

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

The Sub-Fund does not use derivatives to attain the environmental or social characteristics promoted by the Sub-Fund.

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.



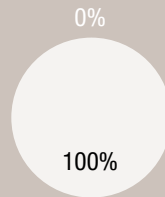
are sustainable investments with an environmental objective that **do not take into account criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

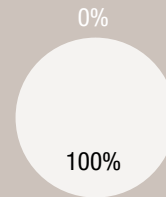
The two graphs show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all investments of the financial product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

1. Taxonomy-alignment of investments including sovereign bonds*



■ Taxonomy-aligned ■ Other investments

2. Taxonomy-alignment of investments excluding sovereign bonds*



■ Taxonomy-aligned ■ Other investments

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

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

Not applicable



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

0%



What is the minimum share of socially sustainable investments?

0%



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

Investments classified as "#2 Other" include investments in sovereign issuers with a score of less than 55 under the LO Sovereign Scoring Methodology. The purpose of such investments is principally to reflect broad market allocation and diversification. To ensure minimum social safeguards, the Investment Manager refrains from investing in financial instruments issued by countries under financial sanctions and embargos programs established by Luxembourg, Switzerland, United Nations, European Union, United Kingdom and United States (notably the Office of Foreign Assets Control, "OFAC"), in addition to any locally applicable sanctions program, based on the relevant jurisdiction. '#2 Other' also includes Cash and Cash Equivalents (for instance to achieve investment goals, for treasury purposes or in case of unfavorable market conditions) and derivatives (used for instance for hedging purposes).

Reference benchmarks

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



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?

No

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



Where can I find more product specific information online?

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

www.loim.com

ANNEX C

SCHEDULE I

The Lombard Odier ESG/CAR Industrial Materiality Rating Methodology ("LO Rating Methodology")

The LO Rating Methodology looks at companies' business practices in relation to their broad ecosystem of stakeholders. The Investment Manager has developed a proprietary ESG materiality heatmap and rating methodology, allowing the Investment Manager to focus on the environmental, social and governance dimensions that really matter to a company across its value chain. The Investment Manager's proprietary framework of 14 categories reflects the main dimensions of potential ESG opportunities and risks expositions across a company's value chain. This includes upstream risks predominantly related to supply chain or natural resource usage, operational risks directly related to a company's direct production and operational processes and downstream risks related to the potential negative impact of products and services sold. The construction of the ratings uses raw data from a variety of specialized suppliers, which includes, but is not limited to, all relevant information used in the construction of the methodology applied to measure the principal adverse impacts of the Investment Manager's decisions on sustainability factors.

The Investment Manager identifies and ranks the most material ESG dimensions for 158 GICS (Global Industry Classification Standard) Level 4 sub-industries, captured in the Investment Manager's ESG materiality heatmap. For each company, the Investment Manager calculates a score from 0 to 100 integrating materiality by overweighting the information that has greater significance based on its specific industry, and underweighting general information that is less relevant. The methodology embeds the Investment Manager's proprietary 'Consciousness', 'Actions' and 'Results' ('CAR') methodology which overweighs the 'R' component – ESG indicators linked to definitive results/outcomes. These scores allow the Investment Manager to attribute to each company an ESG rating from A+ to D based on its percentile positioning in their respective sector. The LO Rating Methodology enhances the Investment Manager's ability to monitor a company's progress on the most relevant sector-specific issues for long-term sustainability, and engage with them on these material issues. The methodology differentiates the talkers from the doers and achievers.

The ESG metrics and data in the LO Rating Methodology are also mapped against the 17 United Nations Sustainable Development Goals (UN SDGs). This provides the Investment Manager with another important lens to consider the sustainability of a company's' business practices, to inform their engagement and provides greater visibility on the alignment of the Sub-Fund's portfolio against the UN SDGs.

The LO Rating Methodology aims to screen not less than 90% of the companies in the investible universe of the Sub-Funds using that methodology.

Warning

The LO Rating Methodology may be subject to limitations due to the availability of data from companies/issuers or from data service providers. The LO Rating Methodology may assist an investment manager with its assessment of the sustainability profile of a company/issuer but is not definitive and is designed to be used in conjunction with other tools and assessments relating to a company's sustainability related business model and practices.

The LO Rating Methodology is dynamic and is designed to be adaptive to changing developments in relation to sustainability. The Investment Manager may change any of its LO Rating Methodology related processes at any time without notice and at its discretion.

No guarantee or undertaking is given in relation to the financial performance of a particular company based upon its scoring under the LO Rating Methodology.

ANNEX C

SCHEDULE II

Implied Temperature Rise ("ITR")

The Lombard Odier proprietary ITR tool enables the Investment Manager to rapidly assess not only the carbon footprint of companies, but also their temperature alignment based on industry/region breakdowns, historical paths and forward- looking trajectories and targets. The ITR tool allows the Investment Manager to analyse temperature trajectories across portfolios. The ITR tool seeks to assess the extent to which individual companies or portfolios are aligned with the climate transition and estimates the level of global warming represented by specific companies or portfolios by extrapolation to the targets for their respective peer groups.



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