

## **GFG Funds**

**SICAV**

***Société d'investissement à capital variable* incorporated in Luxembourg**

5, rue Jean Monnet,

L-2180Luxembourg

Luxembourg RCS No. B 60 668

**PROSPECTUS**

**May 2023**

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No person is authorized to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

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## **MANAGEMENT AND ADMINISTRATION**

### **APPOINTED AGENTS OF THE FUND**

#### **Registered Office:**

5, rue Jean Monnet  
L-2180 Luxembourg

#### **Board of Directors:**

##### **Chairman:**

Mrs. Simona Ingnoli  
Director  
Tour du Larvotto 5, Descente du Larvotto, 98000, Monaco

##### **Directors:**

Mr. Miguel-Angel Ruiz  
Chief Operating Officer  
GFG Groupe Financier de Gestion  
Av. des Toises 12, 1005 Lausanne, Switzerland

Mr. Leopoldo Brunacci  
Managing Director SAFE CAPITAL MANAGEMENT SA  
via Serafino Balestra 5, 6900 Lugano

##### **Management Company:**

Multiconcept Fund Management S.A  
5, rue Jean Monnet,  
L-2180 Luxembourg

##### **Directors:**

Mr Thomas SCHMUCKLI;  
Independent Director

Mr Patrick TSCHUMPER;  
Head of Fund Solutions, Credit Suisse Funds AG

Mr Ilias GEORGOPOULOS;  
CEO MultiConcept Fund Management S.A.

Mr Richard BROWNE,  
Head of Private Equity and Real Estate Fund Services, Credit Suisse Fund Services (Luxembourg) S.A.

Ms. Annemarie ARENS;  
Independent Director

Investment Manager for the Sub Funds:

- 1. GFG FUNDS – EURO GLOBAL BOND**
- 2. GFG FUNDS – GLOBAL ENHANCED CASH**
- 3. GFG FUNDS – INCOME OPPORTUNITY**

GFG Groupe Financier de Gestion (Monaco) SAM  
‘Le Patio Palace’  
2 etg – bureau n. B2A – lot n. 487  
41, Avenue Hector Otto, MC-98000, Monaco

#### **Depositary and Paying Agent**

Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet,  
L-2180 Luxembourg

#### **Domiciliary, Registrar Transfer and Administrative Agent**

Credit Suisse Fund Services (Luxembourg) S.A.  
5, rue Jean Monnet,  
L-2180 Luxembourg

#### **Distribution Agents and Paying Agents in Italy:**

ALLFUNDS BANK S.A.  
Succursale di Milano,  
Via Santa Margherita 7,  
20121 Milano, Italy

SGSS S.p.A.  
Via Benigno Crespi, 19/A – MAC 2  
20159 Milano, Italy  
(until 16 February 2021)

#### **Auditor of the Fund:**

Deloitte Audit S.à r.l.  
20 Boulevard de Kockelscheuer L-1821 Luxembourg

#### **Sub-Funds launched under this Fund:**

- 1. GFG FUNDS – EURO GLOBAL BOND**
- 2. GFG FUNDS – GLOBAL ENHANCED CASH**
- 3. GFG FUNDS – INCOME OPPORTUNITY**

## Definitions

<b>Administration Agent</b>	Credit Suisse Fund Services (Luxembourg) S.A.
<b>Administration Agent Agreement</b>	Agreement entered into between the Management Company and Credit Suisse Fund Services (Luxembourg) S.A. governing the appointment of the latter as Administration Agent and Registrar and Transfer Agent, as may be amended or supplemented from time to time.
<b>Articles of Incorporation</b>	The articles of incorporation of the Fund, as amended from time to time.
<b>Auditors</b>	Deloitte Audit S.à r.l.
<b>Board</b>	The board of directors of the Fund.
<b>Business Day</b>	<p>Unless otherwise described under Section I, the net asset value per share of the individual Sub-Funds is calculated for each day which is open for bank business in Luxembourg by the Administration Agent (hereinafter called "Valuation Day").</p> <p>In this context, such "Business Day" refers to the normal bank business day (i.e. each day on which banks are open during normal hours) in Luxembourg, with the exception of the 24th of December each year.</p>
<b>CHF</b>	The official currency of Switzerland.
<b>Class(es)</b>	Pursuant to the Articles, the Board may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the description of the relevant Sub-Fund.
<b>CoCo bonds, CoCos or Contingent Convertible Notes</b>	Mean Contingent Convertible Instruments as further determined below.
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
<b>Depository</b>	Credit Suisse (Luxembourg) S.A.
<b>Depository Agreement</b>	The agreement entered into between the Fund, the Management Company and the Depository, governing the appointment of the Depository, as may be amended or supplemented from time to time.
<b>Domiciliary Agent Agreement</b>	The agreement entered into between the Fund and the Domiciliary Agent, governing the appointment of the Domiciliary Agent, as may be amended or supplemented from time to time.
<b>Domiciliary Agent</b>	Credit Suisse Fund Services (Luxembourg) S.A.
<b>Directors</b>	The members of the Board.
<b>ETFs</b>	Exchange traded funds

<b>EU</b>	European Union.
<b>EUR</b>	The legal currency of the Eurozone (the "Euro").
<b>FATCA</b>	The Foreign Account Tax Compliance provisions of the US. Hiring Incentives to Restore Employment Act enacted in March 2010.
<b>Fixed Income Securities</b>	Shall mean bonds, debt and other fixed income securities which pay a fixed or variable rate of interest. Unless otherwise specified in the relevant Sub-Fund particulars, Fixed Income Securities shall not include asset-backed securities and mortgage-backed securities.
<b>GBP</b>	The legal currency of Great Britain.
<b>Institutional Investor</b>	Any institutional investor(s) within the meaning of article 174 of the Law of 2010 and as accepted and defined from time to time by the guidelines or recommendations of the CSSF.
<b>Investment Manager</b>	GFG Groupe Financier de Gestion (Monaco) SAM
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Management Company</b>	Multiconcept Fund Management S.A.
<b>Management Agreement</b>	The agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
<b>Mémorial</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value per Share</b>	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Other UCI</b>	An Undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
<b>Redemption Day</b>	The day with respect to which Shares of the Fund are redeemable, as further detailed in the description of the relevant Sub-Fund.
<b>Reference Currency</b>	The reference currency of a Sub Fund, as disclosed in the description of the relevant Sub-Fund.
<b>Register of shareholders</b>	The register of shareholders of the Fund.
<b>Registrar and Transfer Agent</b>	Credit Suisse Fund Services (Luxembourg) S.A.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument

before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognized and open to the public in an Eligible State.

<b>Savings Directive</b>	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in form of interest payments.
<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Fund having its own Net Asset Value and represented by one or more Classes.
<b>SFTR</b>	Means the EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015 and CSSF Circulars CSSF 08/356, CSSF 11/512 CSSF 14/592.
<b>SFTs</b>	Means securities financing transactions
<b>The Law of 2010</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended from time to time, implementing Directive 2009/65/EC into Luxembourg law.
<b>TRS</b>	Means total return swap as further determined below.
<b>Transferable Securities</b>	Shall mean: <ul style="list-style-type: none"><li>a) shares and other securities equivalent to shares,</li><li>b) bonds and other debt instruments,</li><li>c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.</li></ul>
<b>UCITS</b>	An Undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to directive 2009/65/EC, as amended.
<b>United States Person</b>	Shall be defined as and include (i) a “United States Person” as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), (ii) a “U.S. person” as such term is defined in Regulation S of the 1933 Act, (iii) a person that is “in the United States” as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a “Non-United States Person” as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.
<b>USD</b>	The official currency of the United States of America (United States Dollar).
<b>Valuation Day</b>	Day as at which the Net Asset Value is determined as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular.

All references herein to time are to Central European Time (CET) unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

## Important Notice

Subscriptions to GFG Funds (the "**Fund**") are only valid if they are made in accordance with the provisions of the current prospectus (KIID or full prospectus) accompanied by the most recent annual report available and, in addition, by the most recent semi-annual report if this was published after the most recent annual report. All the offering documents as well as the financial reports will be available for inspection on the website of the Fund.

No one may use information other than that appearing in the present prospectus or KIID and in the documents mentioned therein as being available for consultation by the public. This prospectus provides details of the general framework applicable to the Fund and must be read in conjunction with the appendices relating to each Sub-Fund. These appendices are issued upon the approval of each Sub-Fund by the CSSF and the Board and constitute an integral part of the prospectus. The prospectus (KIID and full prospectus) will be updated regularly to incorporate significant amendments. Investors are advised to check with the Fund that the prospectus in their possession is the most recent one.

The Fund is established in Luxembourg and has obtained the authorization of the competent Luxembourg supervisory authority. This authorization should in no way be interpreted as approval by the Luxembourg supervisory authority of either the contents of the prospectus or the quality of the shares of the Fund or of the quality of the investments that it holds.

This prospectus may not be used to offer and promote sales in any Country or under any circumstances where such offers or promotions are not authorized by the competent authorities.

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

## US Investors

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any of the States of the United States, nor is such registration contemplated. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act.

Further, the Board has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a U.S. Person.

The Board has the right to refuse any transfer, assignment or sale of Shares in its sole discretion if the Board reasonably determines that it would result in a U.S. Person holding Shares, either as an immediate consequence or in the future.

Any transfer of Shares may be rejected by the Registrar and Transfer Agent and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules. Applicants may be required to declare that they are not U.S. Persons and are not applying for Shares on behalf of any U.S. Person. It is recommended that investors obtain information on the laws and regulations (in particular, those relating to fiscal policy and currency controls) applicable in their Country of origin, of residence or of domicile as regards an investment in the Fund and that they consult their own financial adviser, solicitor or accountant on any issue relating to the contents of this prospectus.



## Data Protection

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“**GDPR**”), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the **Data Protection Laws**), the Fund, acting as data controller (the “**Data Controller**”) processes personal data in the context of the investments in the Fund. The term “processing” in this section has the meaning ascribed to it in the Data Protection Laws.

### 1. CATEGORIES OF PERSONAL DATA PROCESSED

Any personal data as defined by the Data Protection Laws (including but not limited to the name, e-mail address, postal address, date of birth, marital status, country of residence, identity card or passport, tax identification number and tax status, contact and banking details including account number and account balance, resume, invested amount and the origin of the funds) relating to (prospective) investors who are individuals and any other natural persons involved in or concerned by the Fund’s professional relationship with investors, as the case may be, including but not limited to any representatives, contact persons, agents, service providers, persons holding a power of attorney, beneficial owners and/or any other related persons (each a “**Data Subject**”) provided in connection with (an) investment(s) in the Fund (hereinafter referred to as the “**Personal Data**”) may be processed by the Data Controller.

### 2. PURPOSES OF THE PROCESSING

The processing of Personal Data may be made for the following purposes (the “**Purposes**”):

#### a) For the performance of the contract to which the investor is a party or in order to take steps at the investor’s request before entering into a contract

This includes, without limitation, the provision of investor-related services, administration of the shareholdings in the Fund, handling of subscription, redemption and conversion orders, maintaining the register of shareholders, management of distributions, sending of notices, information and communications and more generally performance of service requests from and operations in accordance with the instructions of the investor.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Fund to enter into a contractual relationship with the investor; and
- is mandatory;

#### b) For compliance with legal and/or regulatory obligations

This includes (without limitation) compliance:

- with legal and/or regulatory obligations such as obligations on anti-money laundering and fight against terrorism financing, obligations on protection against late trading and market timing practices, accounting obligations;
- with identification and reporting obligations under foreign account tax compliance act (“**FATCA**”) and other comparable requirements under domestic or international exchange tax information mechanism such as the Organisation for Economic Co-operation and Development (“**OECD**”) and EU standards for transparency and automatic exchange of financial account information in tax matters (“**AEOI**”) and the common reporting standard (“**CRS**”) (hereinafter collectively referred to as “**Comparable Tax Regulations**”). In the context of FATCA and/or Comparable Tax Regulations, the Personal Data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such Personal Data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- with requests from, and requirements of local or foreign authorities.

The provision of Personal Data for this purpose has a statutory/regulatory nature and is mandatory. In addition to the consequences mentioned at the end of this point 2, not providing Personal Data in this context may also result in incorrect reporting and/or tax consequences for the investor;

**c) For the purposes of the legitimate interests pursued by the Fund**

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Fund's services, disclosure of Personal Data to Processors (as defined below) for the purpose of effecting the processing on the Fund's behalf. The Fund may also use Personal Data to the extent required for preventing or facilitating the settlement of any claims, disputes or litigations, for the exercise of its rights in case of claims, disputes or litigations or for the protection of rights of another natural or legal person.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Fund to enter into a contractual relationship with the investor; and
- is mandatory;

**and/or**

**d) For any other specific purpose to which the Data Subject has consented**

This covers the use and further processing of Personal Data where the Data Subject has given his/her explicit consent thereto, which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal.

**Not providing Personal Data for the Purposes under items a) to c) hereabove or the withdrawal of consent under item d) hereabove may result in the impossibility for the Fund to accept the investment in the Fund and/or to perform investor-related services, or ultimately in termination of the contractual relationship with the investor.**

### **3. DISCLOSURE OF PERSONAL DATA TO THIRD PARTIES**

The Personal Data may be transferred by the Fund, in compliance with and within the limits of the Data Protection Laws, to its delegates, service providers or agents, such as (but not limited to) the Management Company, the Domiciliary Agent, the Auditor, other entities directly or indirectly affiliated with the Fund and any other third parties who process the Personal Data for providing their services to the Fund, acting as data processors (collectively hereinafter referred to as "**Processors**").

Such Processors may in turn transfer Personal Data to their respective agents, delegates, service providers, affiliates, such as (but not limited to) the Administration Agent, the Registrar and Transfer Agent, the Global Distributor, acting as sub-processors (collectively hereinafter referred to as "**Sub-Processors**").

Personal Data may also be shared with service providers processing them on their own behalf as data controllers and third parties as may be required by applicable laws and regulations (including but not limited to administrations, local or foreign authorities (such as competent regulator, tax authorities, judicial authorities, etc)).

Personal Data may be transferred to any of these recipients in any jurisdiction including outside of the European Economic Area ("**EEA**"). The transfer of Personal Data outside of the EEA may be made to countries ensuring (based on the European Commission's decision) an adequate level of protection or to other countries not ensuring such adequate level of protection. In the latter case, the transfer of Personal Data will be protected by appropriate or suitable safeguards in accordance with Data Protection Laws, such as standard contractual clauses approved by the European Commission. The Data Subject may obtain a copy of such safeguards by contacting the Fund.

### **4. RIGHTS OF THE DATA SUBJECTS IN RELATION TO THE PERSONAL DATA**

Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* – "**CNPD**") or the European Data Protection Board, each Data Subject has the rights:

- to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originate and whether they came from publicly accessible sources;
- to ask for a rectification of his/her Personal Data in cases where they are inaccurate and/or incomplete,
- to ask for a restriction of processing of his/her Personal Data,
- to object to the processing of his/her Personal Data,
- to ask for erasure of his/her Personal Data, and
- to data portability with respect to his/her Personal Data.

Further details regarding the above rights are provided for in Chapter III of GDPR and in particular articles 15 to 21 of GDPR.

No automated decision-making is conducted.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Fund's data protection officer at the following address:

MULTICONCEPT FUND MANAGER S.A.  
 5, rue Jean Monnet  
 L-2180 Luxembourg  
 Grand Duchy of Luxembourg  
 Phone: +352 43 61 61 - 1  
 E-mail: luxembourg.data-protection@credit-suisse.com

In addition to the rights listed above, should a Data Subject consider that the Fund does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with the CNPD.

## **5. INFORMATION ON DATA SUBJECTS RELATED TO THE INVESTOR**

To the extent the investor provides Personal Data regarding Data Subjects related to him/her/it (e.g. representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney, etc.), the investor acknowledges and agrees that: (i) such Personal Data has been obtained, processed and disclosed in compliance with any applicable laws and regulations and its/his/her contractual obligations; (ii) the investor shall not do or omit to do anything in effecting this disclosure or otherwise that would cause the Fund, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); (iii) the processing and transferring of the Personal Data as described herein shall not cause the Fund, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); and (iv) without limiting the foregoing, the investor shall provide, before the Personal Data is processed by the Fund, the Processors and/or Sub-Processors, all necessary information and notices to such Data Subjects concerned, in each case as required by applicable laws and regulations (including Data Protection Laws) and/or its/his/her contractual obligations, including information on the processing of their Personal Data as described in this data protection section. The investor will indemnify and hold the Fund, the Processors and/or Sub-Processors harmless for and against all financial consequences that may arise as a consequence of a failure to comply with the above requirements.

## **6. DATA RETENTION PERIOD**

Personal Data will be kept in a form which permits identification of Data Subjects for at least a period of five (5) years after the end of the financial year to which they relate or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes).

## **7. RECORDING OF TELEPHONE CONVERSATIONS**

Investors, including the Data Subjects related to him/her/it (who will be individually informed by the investors in turn) are also informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and then preventing or facilitating the settlement of any disputes or litigations, their telephone conversations with and/or instructions given to the Fund, the Management Company, the Depository Bank, the Domiciliary Agent, the Administration Agent, the Registrar and Transfer Agent, and/or any

other agent of the Fund may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (7) years or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes). These recordings shall not be disclosed to any third parties, unless the Fund, the Management Company, the Depositary Bank, the Domiciliary Agent, the Administration Agent, the Registrar and Transfer Agent and/or any other agent of the Fund is/are compelled or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

## **LEGAL STATUS**

The Fund is an open-ended investment fund ("*société d'investissement à capital variable*" - SICAV) governed by Luxembourg law, established in accordance with the provisions of Part I of the Law of December 17, 2010 relating to undertakings for collective investment ("*the Law of 2010*").

The Fund was incorporated for an indefinite period on September 11, 1997, with the initial capital of DEM 65'000 under the name Efficiency Growth Fund and its Articles of Incorporation were published in the official gazette "*Mémorial, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" on October 14, 1997. The Articles of Incorporation were last modified by notarial deed on June 20, 2019 published on July 10, 2019.

The Fund is entered in the Commercial Register of Luxembourg under No B 60 668.

The Fund's capital shall at all times be equal to the value of its total net assets; it may never fall below the minimum capital of EUR 1,250,000- as required by the Law of 2010.

## **INVESTMENT OBJECTIVES AND FUND STRUCTURE**

The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of Sub-Funds included under a same and single structural umbrella.

The investment policy implemented in the various Sub-Funds shall be laid down by the Board of Directors of the Fund ("*the Board*"). A broad spread of risks will be achieved by diversifying investments over a large number of transferable securities. The selection of securities will not be limited - except under the terms of the restrictions specified in the section "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of investment of transferable securities.

The net assets forming each Sub-Fund are represented by Shares. All the Shares representing the assets of a Sub-Fund form a category of Shares. All the Sub-Funds together form the Fund.

The Board is entitled to create new Sub-Funds. A list of those Sub-Funds in existence at present, together with a description of their investment policy and main features, is attached as Appendix to this Prospectus. This list forms an integral part of this Prospectus and will be updated whenever new Sub-Funds are created.

### **Listing**

Each Sub-Fund could be listed and negotiated on a Regulated Market, and settled, according to the local Law and to the Market Regulation.

Consequently, some rules set forth in this prospectus may be not applicable for listed share classes in favour of the application of laws and regulations of the relevant Regulated Market.

The settlement for listed share classes should take place not later than three (3) business days following the relevant Valuation Date according to the calendar of the relevant Regulated Market.

## ORGANISATION OF MANAGEMENT AND ADMINISTRATION

### Management

The Board is vested with the widest powers to act in any circumstances in the name of the Fund, subject to any powers explicitly granted by law or by the Fund's Articles of incorporation to its general meeting of Shareholders.

The Board is responsible for managing the business of the Sub-Funds in issue, for the control of the Fund's operations as well as specifying and implementing the Fund's investment policy. The Board may delegate, under its control and responsibility, the day-to-day management of the Fund as set out in the Appendix "Sub-Funds already in operation" to the present prospectus.

The Fund has appointed Multiconcept Fund Management S.A. as its management company in accordance with the provisions of the Law of 2010 pursuant to the Management Agreement.

The Management Company is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on 26 January 2004. The Management Company is authorised and regulated by the CSSF under Chapter 15 of the Law of 2010. The Management Company is an affiliated company of the Credit Suisse group. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with the Law of 2010 as well as functions of an alternative investment fund manager in accordance with the Luxembourg law of 12 July 2013 on alternative investment fund managers.

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

The Management Company has also been appointed as the registrar and transfer agent of the Fund pursuant to the Management Agreement.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of the Grand Duchy of Luxembourg. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the Shareholders. The delegation to third parties may be subject to the prior approval of the CSSF.

In conducting its activities, the Management Company shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its Shareholders, and the integrity of the market. In accordance with applicable laws and regulations, the Management Company has adopted and maintains sound internal governance, administrative and accounting procedures. It maintains effective, permanent and independent compliance and internal audit functions. The Management Company is organised in such a way as to minimise the risk of the Fund's interests being prejudiced by conflicts of interest between the Management Company and/or its clients.

The Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

## Conflicts of Interest

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

## Remuneration policy of the Management Company

The Management Company has implemented the group standard remuneration policy and published a local appendix which is consistent with, and promotes, sound and effective risk management and that neither encourages risk taking which is inconsistent with the risk profiles of the Sub-Funds and the Articles of Incorporation nor impairs compliance with the Management Company's duty to act in the best interest of the Fund and its Shareholders. All employees of the Credit Suisse Group are subject to the Group Compensation Policy, the objectives of which include: (a) supporting a performance culture that is based on merit and differentiates and rewards excellent performance, both in the short and long term, and recognizes Credit Suisse's company values; (b) balancing the mix of fixed and variable compensation to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviours and actions; and (c) consistency with, and promotion of, effective risk management practices and Credit Suisse's compliance and control culture. Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including a description of the global Credit Suisse Group compensation committee are available on <https://www.creditsuisse.com/microsites/multiconcept/en.html> and will be made available to investors free of charge upon request.

## The Investment Manager of all Sub Funds under this SICAV

The daily management of the Sub-Funds has been delegated by the Management Company, under its control and responsibility, to GFG Groupe Financier de Gestion (Monaco) SAM (hereafter referred to as "GFG (Monaco)" or the "Investment Manager").

The Investment Manager will manage on a daily basis the relevant Sub-Fund's portfolios with the responsibility of making specific investment choices on behalf of the Fund within the framework of allocation criteria established from time to time by the Board and the Management Company.

The Investment Manager is a company organized and existing under the laws of Monaco, it is registered with the "Commission de Contrôle des Activités Financières".

The Investment Managers appointed may also act as intermediaries involved in the marketing / client introduction of the Fund or of the Sub-Funds. As a result, such functions of the Investment Manager may result in conflicts of interest between the various activities of these companies and their duties and obligations to the Fund and its Sub-Funds.

## The Depositary

Pursuant to a depositary and paying agent services agreement (the "**Depositary Agreement**"), Credit Suisse (Luxembourg) S.A. has been appointed as depositary of the Fund (the "**Depositary**"). The Depositary will also provide paying agent services to the Fund.

Credit Suisse (Luxembourg) S.A. is a public limited company (*société anonyme*) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

The Depositary has been appointed for the safe-keeping of the assets of the Fund in the form of custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as for the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary Agreement.

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

In compliance with the provisions of the Depositary Agreement and the 201 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody and that are duly entrusted to the Depositary for custody purposes to one or more sub-custodian(s), and/or in relation to other assets of the Fund all or part of its duties regarding the record keeping and verification of ownership to other delegates, as they are appointed by the Depositary from time to time. The Depositary shall exercise all due skill, care and diligence as required by the Law of 2010 in the selection and the appointment of any sub-custodian and/or other delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian and/or other delegate to which it has delegated parts of its tasks as well as of the arrangements of the sub-custodian and/or other delegate in respect of the matters delegated to it. In particular, any delegation of custody tasks may only occur when the sub-custodian, at all times during the performance of the tasks delegated to it, segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the Law of 2010.

As a matter of principle the Depositary does not allow its sub-custodians to make use of delegates for the custody of financial instruments unless further delegation by the sub-custodian has been agreed by the Depositary. To the extent, sub-custodians are accordingly entitled to use further delegates for the purpose of holding financial instruments of the Fund or Sub-Funds that can be held in custody, the Depositary will require the sub-custodians to comply for the purpose of such sub-delegation with the requirements set forth by applicable laws and regulations, e.g. namely in respect of asset segregation.

Prior to the appointment and/or the use of any sub-custodian for the purposes of holding financial instruments of the Fund or Sub-Funds, the Depositary analyses - based on applicable laws and regulations as well as its conflict of interests policy - potential conflicts of interests that may arise from such delegation of safekeeping functions. As part of the due diligence process applied prior to the appointment of a sub-custodian, this analysis includes the identification of corporate links between the Depositary, the sub-custodian, the Management Company and/or the Investment Manager. If a conflict of interest was identified between the sub-custodians and any of the parties mentioned before, the Depositary would - depending on the potential risk resulting on such conflict of interest - either decide not to appoint or not to use such sub-custodian for the purpose of holding financial instruments of the Fund or require changes which mitigated potential risks in an appropriate manner and disclose the managed conflict of interest to the Fund's investors. Such analysis is subsequently performed on all relevant sub-custodians on a regular basis as part of its ongoing due diligence procedure. Furthermore, the Depositary reviews, via a specific committee, each new business case for which potential conflicts of interest may arise between the Depositary, the Fund, the Management Company and the Investment Manager(s) from the delegation of the safekeeping functions. As of the date of this Prospectus, the Depositary has not identified any potential conflict of interest that could arise from the exercise of its duties and from the delegation of its safekeeping functions to sub-custodians.

As per the date of this Prospectus, the Depositary does not use any sub-custodian which is part of the Credit Suisse Group and thereby avoids conflicts of interests which might potentially result thereof. An up-to-date list of these sub-custodians along with their delegate(s) for the purpose of holding in custody financial instruments of the Fund or Sub-Funds can be found on the webpage <https://www.creditsuisse.com/media/pb/docs/lu/privatebanking/services/list-of-creditsuisse-lux-sub->

[custodians.pdf](#) and will be made available to Shareholders and investors upon request.

The Depositary's liability shall not be affected by any such delegation to a sub-custodian unless otherwise stipulated in the Law of 2010 and/or the Depositary Agreement.

The Depositary is liable to the Fund or its Shareholders for the loss of a financial instrument held in custody by the Depositary and/or a sub-custodian. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law of 17 December 2010, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 17 December 2010 and/or the Depositary Agreement.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Fund, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination period by a successor depositary to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Fund does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Fund will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

The Depositary is a third party service provider to the Fund. The Depositary is not responsible for the preparation of this Prospectus or the activities of the Fund or any Sub-Fund other than pursuant to the Law of 2010 and, other than the information contained in this Prospectus with respect to the Depositary, accepts no responsibility for any information contained herein. The Depositary does not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Fund including that of each Sub-Fund.

### **Central Administration, Registrar and Transfer Agent, Domiciliary Agent**

The Management Company has appointed Credit Suisse Fund Services (Luxembourg) S.A. as administration agent (the "**Administration Agent**") and registrar and transfer agent (the "**Registrar and Transfer Agent**") of the Fund pursuant to the administration services agreement entered into between the Management Company and the Administration Agent (the "**Administration Services Agreement**"). Furthermore, the Fund has appointed Credit Suisse Fund Services (Luxembourg) S.A. as domiciliary agent of the Fund ("the "**Domiciliary Agent**"), pursuant to the domiciliary agent agreement entered into between Credit Suisse Fund Services (Luxembourg) S.A. and the Fund (the "**Domiciliary Agent Agreement**").

Credit Suisse Fund Services (Luxembourg) S.A. is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on 22 November 1993. The Administration Agent is authorised and regulated by the CSSF under the 1993 Law. The Administration Agent is an affiliated company of the Credit Suisse group. The relationship between the Management Company and the Administration Agent is subject to the terms of the Administration Services Agreement. Under the terms of the Administration Services Agreement, Credit Suisse Fund Services (Luxembourg) S.A., in its capacity as the Administration Agent will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as, in its capacity as Registrar and Transfer Agent, process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of Shareholders. In addition, Credit Suisse Fund Services (Luxembourg) S.A., in its



capacity as the Registrar and Transfer Agent is also responsible for collecting the required information and performing verifications on Investors to comply with applicable anti-money laundering rules and regulations. Credit Suisse Fund Services (Luxembourg) S.A. is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund. The Administration Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Administration Services Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Services Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the Shareholders. The Administration Services Agreement contains provisions exempting the Credit Suisse Fund Services (Luxembourg) S.A., from liability and indemnifying Credit Suisse Fund Services (Luxembourg) S.A., in certain circumstances. However, the liability of the Credit Suisse Fund Services (Luxembourg) S.A., towards the Management Company will not be affected by any delegation of functions by Credit Suisse Fund Services (Luxembourg) S.A..

### **Statutory Auditors**

The auditing has been entrusted to Deloitte Audit S.à r.l., 20 Boulevard de Kockelscheuer, 1821 Luxembourg.

## **RIGHTS OF THE SHAREHOLDERS**

### **Shares**

The Shares in each Sub-Fund are only issued in registered name form, with no par value and fully paid-up. The issuance of fractions of Shares to four decimal places is permitted. No certificates will be issued. All owners of the Shares will have their names entered into the Shareholders' Register which will be held at the Fund's registered office. Shares redeemed by the Fund shall be cancelled.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund to which they pertain.

Each Share has one vote. Fractional Shares do not, however, possess voting rights. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated August 10, 1915 and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.

Shareholders will only receive confirmation that their names have been recorded in the Shareholders' Register.

### **Classes of Shares**

The Appendix to this Prospectus lists the current Share Classes. The Board may, at any time, decide to create additional Share Classes.

The Share Categories issued or planned at the date of this Prospectus, together with any supplementary information, are detailed in the Appendix of the Prospectus. Investors are advised to contact their agent for the latest list of Share Categories.

Shares may be divided into Shares as described below:

- "PP" shares shall be subscribed through distribution agents and/or financial intermediaries involved in the distribution of the Sub-Funds shares.
- "I" Shares shall be reserved to Institutional Investors within the meaning of article 174 (2) of the Law of 2010.
- "P" Shares shall be subscribed directly by investors without any distribution agents and/or financial intermediaries.

The subscription price for Shares in each class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Class of Shares are allocated to that Class. To the extent that costs and expenses are not directly chargeable to a specific Class, they shall be shared out proportionally among the various Sub-Funds according to their net asset value or, if circumstances warrant it, allocated on an equal footing to each Sub-Fund. Unless agreed otherwise with creditors, all liabilities, regardless of the class of Shares to which they are allocated, are binding the Fund as a whole.

### **General Meeting of Shareholders**

The Annual General Meeting of Shareholders shall be held each year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The Annual General Meeting shall be held on the fourth Thursday of March at 4:00 p.m. or, if this happens to be an official holiday in Luxembourg, on the next working day thereafter.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the Annual General Meeting. These notices shall include details of the time and place of the Meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

In accordance with the Fund's Articles of Incorporation and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the General Meeting of all Shareholders. Any decisions affecting Shareholders in one or several Sub-Funds may be taken by just those Shareholders in the relevant Sub-Funds to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles of Incorporation shall apply.

### **SUBSCRIPTIONS**

The list of Sub-Funds already in operation/ dormant is included in Appendix to this Prospectus.

Appendix will be updated to take into account the activation or the decision to activate any additional Sub-Fund.

Subscriptions for Shares in each Sub-Fund already in operation shall be accepted at the issue price, as defined hereunder in the paragraph "Issue Price", at the office of the Registrar and Transfer Agent or the foreign distributor as well as at any other establishments authorized to do so by the Fund.

On condition that securities are in accordance with the investment policy, the Shares may also be paid out under the form of securities, the evaluation of which will be certified by the Auditor of the Fund. This report will be available for inspection at the registered office of the Fund.

Details on the procedure for subscription of Shares in each Sub-Fund (including cut-off date for subscription requests) shall be disclosed in each Sub-Fund Appendix.

The amount for the issue price shall be paid or transferred, in the reference currency of the relevant Class of Shares, into the account of the Depository or of the distributor, to the order of the GFG Funds with reference to the Class of Shares concerned at the latest on the third bank Business Day counting from the relevant valuation day.

### **Legislation against money laundering**

In accordance with the Law of November 12, 2004, as amended, the Grand-Ducal regulation of February 1, 2010, the CSSF Regulation N° 12-02 and applicable CSSF Circulars, all investors in the Fund must be identified either (i) by the registrar and Transfer Agent (ii) by the intermediaries collecting their subscriptions or (iii) by

the intermediary through which the subscription or the redemption will be paid as the case may be, the beneficial owner of the transaction shall also be identified.

It is accepted that professionals of the financial sector located in a country imposing equivalent requirements to those laid down in the Law of November 12, 2004 or in the Directive 2005/60/EC and subject to supervision for compliance which these requirements are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

When the investor or the intermediary is not located in a country imposing equivalent requirements within the meaning of the Law of November 12, 2004 or of the Directive 2005/60/EC, a subscription can only be accepted by the Registrar and Transfer Agent where accompanied by an investor identification documentation which has been duly certified by the relevant local authorities.

Registrar and Transfer Agent will always comply with its identification obligations as provided for in the Law of November 12, 2004, as amended, and the CSSF Regulation N° 12-02 (in particular in accordance with articles 3-1 and 3-2 thereof). It is the sole responsibility of the intermediary to transmit to Registrar and Transfer Agent, without delay, all additional information which Registrar and Transfer Agent may require from time to time, in relation to subscriptions or redemptions in the Fund.

**The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.**

The Registrar and Transfer Agent is entitled to refuse any subscription, transfer or conversion application in whole or in part for any reason, and may in particular prohibit or limit the sale, transfer or conversion of Shares to individuals or corporate bodies in certain countries if such transaction might be detrimental to the Fund or result in the Shares being held directly or indirectly by a U.S. Person or if such subscription, transfer or conversion in the relevant country is in contravention of the local applicable laws. The subscription, transfer or conversion for Shares and any future transactions shall not be processed until the information required by the Registrar and Transfer Agent, included but not limited to know your customer and anti-money laundering checks, is received.

### **ISSUE PRICE**

The issue price for Shares in each Class of Shares is equal to the net asset value of each Share in that Class of Shares, calculated on the first Valuation Day of the net asset value following the applicable day of subscription.

A Subscription Fee of not more than 5% of the net asset value may be charged in each Class of Shares.

This issue price shall also be increased to cover any duties, taxes and stamp duties which may have to be paid.

### **REDEMPTIONS**

Shareholders are entitled at any time to redeem all or part of their Shares at the Redemption Price as defined in the paragraph "Redemption Price" below, by addressing an irrevocable application for redemption to the Registrar and Transfer Agent.

Details on the procedure for redemption of Shares in each Sub-Fund (including cut-off date for redemption requests) shall be disclosed in each Sub-Fund Appendix.

If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to redeem or convert more than 10% of the Shares issued in a particular Sub-Fund, the Board may decide that redemptions or conversions have to be postponed to the next Business Day when the net asset value of the Sub-Fund is calculated. On that date of calculation of the net asset value, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received for that particular date of calculation of the net asset value (and which had not been postponed).

If, as a result of any redemption request, the amount invested by any Shareholder in a Class of Shares in any one Sub-Fund falls below an amount determined by the Board as minimum for that Class of Shares, it will be treated as an instruction to redeem the Shareholder's total holding in the relevant Class.

The price for the Shares presented for redemption shall be paid or transferred in the reference currency of the Sub-Fund concerned the latest the third bank Business Day following the date when the net asset value applicable to the redemption was calculated (see paragraph "Redemption Price" below).

If the Board discovers at any time that any beneficial owner of Shares is a U.S. Person either alone or in conjunction with any other person, whether directly or indirectly, the Board may at its discretion and without liability, compulsorily redeem the Shares in accordance with the rules set out in the Articles of Incorporation, and upon redemption, the U.S. Person will cease to be the owner of those Shares. The Board may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a U.S. Person. Further, Shareholders shall have the obligation to immediately inform the Fund to the extent the ultimate beneficial owner of the Shares held by such Shareholder becomes or will become a U.S. Person.

### **REDEMPTION PRICE**

The redemption price for Shares in each Class of Shares shall be determined in the manner described in each Sub-Fund's Appendix.

A Redemption Fee of not more than 3% of the net asset value may be charged in each Class of Shares.

The redemption price will also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on how the net asset value has changed in the intervening period.

### **CONVERSION**

Any Shareholder may request the conversion of all or part of his Shares in one Sub-Fund into Shares of another Sub-Fund, on the basis of the respective net asset value as calculated on the Valuation Day of the Sub-Funds concerned.

Details on the procedure for conversion of Shares in each Sub-Fund (including cut-off date for conversion requests) shall be disclosed in each Sub-Fund Appendix.

For any conversion requests received by the Registrar and Transfer Agent after the deadline of 4:00 p.m. on the last Business Day before Valuation Day of the net asset value, the net asset value applicable will be calculated on the following Valuation Day thereafter.

A Conversion Fee of not more than 1% of the net asset value may be charged for each Sub-Fund.

### **CALCULATION OF THE NET ASSET VALUE**

The net asset value as well as issue, redemption and conversion prices for Shares are calculated by the Administration Agent for each Sub-Fund in the reference currency used for the Sub-Fund on the basis of the last known prices, at intervals which may vary for each Sub-Fund and are specified in Appendix.

Valuation Day is the day on which the NAV per Share is determined or calculated.

Valuation Day will be any bank business day in Luxembourg except the 24th of December ("Business Day").

The net asset value of a Share in each Sub-Fund will be calculated by dividing the net assets of that Sub-Fund by the total number of Shares outstanding of that Sub-Fund and shall be rounded up or down to the nearest 4 decimal place. The net assets of a Sub-Fund correspond to the difference between the total assets and the total liabilities of the Sub-Fund.

The Fund's total net assets will be expressed in EURO and correspond to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Sub-Fund will, unless they are already expressed in EURO, be converted into EURO, and added together.

The assets of the Fund shall be valued as follows:

1. Securities admitted to official listing on an official stock exchange or traded on any other organized market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value;
2. Securities not listed on stock exchanges or not traded on any regulated market and securities with an official listing for which the last available price is not representative of a fair market value will be valued, prudently and in good faith, on the basis of their estimated sale prices;
3. Cash and other liquid assets will be valued at their face value with interest accrued;
4. For each Sub-Fund, securities whose value is expressed in a currency other than the reference currency of that Sub-Fund will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial center which is most representative for those securities.

The Board is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.

In cases when applications for subscription or redemption are sizeable, the Board may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

#### **SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES**

The calculation of the net asset value or the issue, redemption and conversion prices of Shares in one or more Sub-Funds may be suspended in the following circumstances:

1. When one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the Fund's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations.
2. When, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests.
3. In the case of a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or when, for whatever reason, the value of an asset in the Fund cannot be calculated as rapidly and as accurately as required.

4. If, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Fund are rendered impracticable or if purchases or sales of the Fund's assets cannot be made at normal rates of exchange.

In such cases of suspension, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Sub-Funds affected by the suspensions shall be notified.

The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Sub-Funds to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund.

In addition, the Fund is entitled to:

1. reject, at its discretion, any application to subscribe to Shares;
2. repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.

### **MARKET TIMING**

Pursuant to CSSF Circular 04/146 aimed at protecting Undertakings for Collective Investment and their investors against late trading and market timing practices the Fund does not knowingly allow investments which are associated with "market timing" practices or any other excessive transactional practice which may adversely affect the performance of the Fund or harm investors. By "Market Timing," the CSSF Circular refers to the "arbitration technique whereby an investor subscribes to and redeems or converts systematically units or shares of the same undertaking for collective investment in a short period of time, by exploiting the time differences and/or imperfections or shortcomings of the system used to determine the net asset value of the undertaking for collective investment.

The Fund reserves the right to reject any subscription and/or conversion request by, or may decide to redeem the whole holding of, an investor suspected of using such practices. It will also take all necessary measures, as and when necessary, to prevent such practices and to protect investors in the Fund.

Subscriptions, redemptions and conversions are dealt with at an unknown net asset value.

### **INCOME DISTRIBUTION**

It is the policy of the Fund that dividends will not be distributed and income will be capitalized.

### **FUNDEXPENSES**

#### **Management Company Fee**

The Management Company is entitled to receive from each Sub-Fund a fee of up to 0.04% per annum of the Fund's assets, subject to a minimum annual fee, charged at Fund level, of up to EUR 20'000 per each active Sub-Fund.

#### **Investment Management Fee**

The Fund will pay an investment management fee to the Investment Manager and to the financial intermediaries involved in the distribution of the Fund's Shares, at an annual rate which could vary according to the Sub-Funds.

Such investment management fee is levied on each Sub-Fund pro rata to its net assets and may be paid directly by the Fund, on behalf of the Management Company, to the Investment Manager and to the financial intermediaries.

The investment manager shall also be entitled to a shareholder servicing fee distinct from the above mentioned investment management fee at the rate of a maximum of 0,10% per annum of the applicable Sub-Fund's average net assets is payable to the Investment Manager for operational support services provided by Investment Manager to financial intermediaries involved in the distribution and is applicable when this is being explicitly addressed under the Sub-Fund's Appendix of the applicable Sub-Fund applying such shareholder servicing fee.

For more details on the investment management fee for each Sub-Fund, please refer to Appendix "Sub-Funds already in operation".

### **Depository, Administration Agent and Registrar and Transfer Agent Fee**

The Administration Agent is entitled to receive a fee for its central administration services of up to 0.04% p.a., accrued daily and calculated monthly on the basis of the average Net Asset Value per Share of all Classes, subject to a minimum annual fee, charged at the Fund level, up to EUR 20'000 per each active Sub-Fund (plus any applicable taxes, if any) and paid monthly.

In addition to the central administration fee, the Administration Agent is entitled to an annual registrar and transfer agency fee, charged at the Fund level, for its services as registrar and transfer agent of up to 3'000 EUR p.a. per Share Class, plus a variable amount for transactions and account maintenance depending on the actual number of transactions and accounts (each plus any applicable taxes, if any).

Further, the Administration Agent is entitled to receive an annual fee, charged at the fund level, of up to EUR 6'000 per Sub-Fund (plus applicable taxes, if any) for its services as domiciliary agent of the Fund.

The Depository is entitled to receive for its depository services a depository fee which is accrued daily and calculated monthly on the basis of the average Net Asset Value per Share of all Classes and amounts up to 0.045% p.a., subject to a minimum annual fee, charged at the Fund level, up to EUR 23'500 per each active Sub-Fund (plus any applicable taxes, if any) and paid monthly.

In addition, the Depository is entitled to receive a depository control and monitoring annual fee, charged at the fund level, up to EUR 5'000 per Sub-Fund (plus any applicable taxes, if any) and a variable fee for transactions.

The actual fees charged will be disclosed in the respective annual or semi-annual report.

### **Performance Fee**

For certain Sub-Funds, the Investment Manager will also receive in addition to the fixed fees mentioned above, a Performance Fee on the increase in the annual net asset value of the Sub-Fund concerned. The method of calculating this commission and the rate applied for each Sub-Fund are set out in Appendix "Sub-Funds already in operation".

On any distribution of dividends during the course of the year, the reference net asset value will be reduced by the amount distributed per share.

## Other expenses

Other costs charged to the Fund include:

1. All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax or *taxe d'abonnement* (0.05% or 0.01% per annum) charged on the Fund's net assets.
2. Brokerage fees and charges on transactions involving securities in portfolio. Further, some of the strategies employed at the level of the Sub-Fund may require frequent changes in trading positions and a consequent portfolio turnover. In exceptional circumstances, this may involve brokerage commission expenses to exceed significantly those of other investment schemes of comparable size.
3. Fees paid to the Investment Manager for the operating of the Portfolio Management System and the Order Management Systems employed by the Investment Manager allowing it to run NAV reconciliations, automatically inform the Depositary and Administration Agent of any trades which have occurred during the day, maintain a detailed and reliable repository of all the trades executed, assess and modify the portfolio positioning at any time, in order to take informed investment decision in the best interest of the Shareholders.
4. Remuneration of the Depositary and its correspondents.
5. Remuneration fees and reasonable costs and expenses incurred by the Paying Agent, transfer agents and the authorized representatives in the countries of registration.
6. Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
7. The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
8. All advertising expenses and other expenditure other than that specified above related directly to the offering and distribution of Shares in foreign countries shall be charged to the Fund up to a maximum amount of EUR 26,000 per annum.
9. Marketing costs.
10. Remuneration of the Italian Paying Agent for its services in relation of the distribution of Shares in Italy: Investors residing in Italy shall be required to pay an additional fee to the Italian Paying Agent whose details may be found in the application form available at local level.
11. Listing fees at stock exchanges. Such listing fees may include fees of appointed intermediaries interfering in the investment process, fees of the local stock exchange, fees of the regulator and any other fees triggered under the initial listing process and during the maintenance of the listing.
12. For the benefit of ALLFUNDS BANK S.A. a one-off initial set-up fees and a maintenance fee can be charged against the respective Sub-Fund which is invested in by ALLFUNDS BANK S.A. or its affiliates.



13. Remuneration of LuxFLAG for the services performed in relation to the (i) assessment of each Sub-Fund against Environmental, Social and Governance criteria and (ii) obtaining corresponding LuxFLAG's label.
14. Fees in relation to ESG research as well as other investment research;
15. Fees and reasonable and documented travel and out-of-pocket expenses payable to the members of the Board of Directors, including insurance related coverage.

The fees associated with the creation of a new Sub-Fund will be, in principle, exclusively borne by this new Sub-Fund. Nevertheless, the Board of the Fund may decide, in circumstances where it would appear to be fairer to the Sub-Funds concerned, that the initial setting up costs of the Fund, not yet amortized at the time the new Sub-Fund is launched, will be equally borne by all existing Sub-Funds including the new Sub-Fund. The Board may also decide that the costs associated with the opening of new Sub-Funds be borne by the existing Sub-Funds.

All recurring expenditure shall be charged first to the Fund's income, then to realized capital gains, then to the Fund's assets. Other expenditure may be amortized over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various Sub-Funds shall be spread between the Sub-Funds in proportion to their net assets, except in cases where charges specifically involve one Sub-Fund, in which case they will be charged to that Sub-Fund.

## **TAX STATUS**

The Fund is subject to Luxembourg tax legislation.

### **The Fund**

In accordance with current Luxembourg law, the Fund is not subject to any tax on income, capital gains tax or wealth tax. Moreover, no dividends distributed by the Fund are subject to withholding tax.

However, income collected by the Fund on securities in its portfolios may be subject to withholding tax which, in normal circumstances, cannot be reclaimed.

Each Sub-Fund is subject to a subscription tax or *taxe d'abonnement* at an annual rate which amounts to 0.05% of the net assets of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. for "I" Shares.

### **Shareholders**

According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies.

**However, it is incumbent upon any purchasers of Shares in the Fund to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.**

## EUROPEAN UNION TAX CONSIDERATIONS

The Council of the European Union adopted on June 3, 2003, a Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. It has been transposed into Luxembourg law by the Law of June 21, 2005 ("the Law of 2005"). Under the new regulations, Member States of the European Union ("Member States") will be required to provide the tax authorities of another EU Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State subject to the right of certain Member States to opt instead for a withholding tax system for a transitional period in relation to such payments. Certain other countries, including the Swiss Confederation, the Caribbean countries, UK Channel Islands, Isle of Man, the Principality of Monaco and the Principality of Liechtenstein, will also be introducing measures equivalent to information reporting or withholding tax.

Pursuant to the Law of 2005, the applicable withholding tax rate is 35%.

Article 9 of the Law of 2005 provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the Law of 2005.

**If withholding tax is applied, any dividends distributed by a fund will be subject to the directive if more than 15% of a fund's assets are invested in debt claims (as defined in the above-mentioned Directive). Proceeds realized by shareholders on the disposal of Shares will be subject to such reporting or withholding if more than 25% of a fund's assets are invested in debt claims.**

As the Fund qualifies as a UCITS under Part I of the Law of 2010, it may come within the scope of the Law of 2005. However, it is the actual implementation of the investment policy pursued by each Sub-Fund that will determine whether dividends distributed by such Sub-Fund and capital gains realized by Shareholders on the disposal of Shares in Sub-Fund will be subject to such reporting or withholding.

### Foreign Account Tax Compliance Act FATCA

As of 1 July 2014, payments of U.S. source income (such as dividends and interest) and, as of 1 January 2015, gross proceeds from the disposition of property that can produce dividends and interest and a portion of payments from certain non-U.S. entities may be subject to a new U.S. reporting and withholding tax regime.

The FATCA rules are designed to require non-U.S. accounts and financial assets of U.S. persons and certain U.S. owned persons to be reported to the U.S. Internal Revenue Service ("IRS"). If the FATCA rules are not complied with, the payments become subject to a 30% withholding tax.

However, on 21 May 2013 and the last time on 27 February 2014, the finance minister of Luxembourg announced that Luxembourg will enter into a Model 1 Intergovernmental agreement ("Model 1 Regime") with the U.S. authorities.

Such Model 1 Regime should enable the Fund not to be subject to the 30% withholding tax on U.S. payments and to be subject to less stringent requirements. The Model 1 Regime requires the Fund not to register with the IRS and the gathering and reporting of the FATCA related information shall be done directly to Luxembourg authorities, which in their turn will exchange the relevant information with their U.S. counterparts.

If the Fund is unable to get the FATCA related required information from an investor, it may be forced to withhold on that investor's share of the relevant payments and may be required to forcibly redeem that investor's interest in the Fund. If the Fund does not comply with FATCA, income and gains might be materially impaired as they would be subject to the 30% withholding tax in certain circumstances. In any case, the Fund intends to become FATCA compliant.

Each investor should consult its own tax advisors regarding the application of FATCA to its own situation.

**The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective Investor. It is expected that Investors may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the tax consequences for each prospective Investor of**

**subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in an Investor's country of citizenship, residence, domicile or incorporation and with his/her/its personal circumstances.**

### **Automatic Exchange of Information Agreements between Governments**

Certain jurisdictions including the United Kingdom and Luxembourg are considering entering into or may have entered into, Automatic Exchange of Information Agreements (“AEOI”) under which relevant tax authorities that collect information on investors under applicable local law, may share information on investors resident in another jurisdiction with the tax authority in that jurisdiction where an AEOI is in place between such jurisdictions.

The scope and application of information reporting and exchange pursuant to such AEOIs may be subject to review by the relevant jurisdictions, and the rules in this respect may also change .

In October 2014 Luxembourg signed a multilateral agreement with 50 other countries on automatic exchange of financial account information. It is intended that from 2017, Luxembourg will commence information sharing on certain cross border investors from those countries, subject to certain processes, safeguards and legal requirements being met. Luxembourg funds and entities will be required to comply with relevant Luxembourg law implementing these agreements.

Investors should contact their own tax advisors regarding the application of information reporting and exchange between governments to their particular circumstances.

### **Common Reporting Standards**

In addition, the European Commission made proposals to revise the EU Directive on Administrative Cooperation (DAC) to include the requirement of Member States to adopt and implement legislation to automatic exchange information between EU Member States by incorporating the Common Reporting Standards (CRS) issued by the OECD. The revised DAC was officially adopted by the European Council at an ECOFIN meeting of 9 December 2014. EU Member States will have to begin the automatic exchange of information under the revised DAC no later than end of September 2017. In addition, Austria announced that it will join the other Member States and exchange information by September 2017. EU Member States need to adopt local legislation consistent with the revised DAC no later than 31 December 2015. It is expected due to the introduction of the revised DAC the EUSD will be withdrawn.

### **BUSINESS YEAR**

The business year of the Fund runs from 1st January to 31st December.

### **PERIODICAL REPORTS AND PUBLICATIONS**

The Fund will publish an audited Annual Report within 4 months after the end of the business year and an unaudited Semi-annual Report within 2 months after the end of the period to which it refers.

The Annual Report includes accounts of the Fund and of each Sub-Fund.

All these reports will be made available to the Shareholders at the registered office of the Fund, the Depositary the distributor and other establishments appointed by the Depositary.

The net asset value per Share of each Sub-Fund as well as the issue and redemption prices will be made to the public at the offices of the Depositary and the distributor.

Any amendments to the Articles of Incorporation will be published in the Mémorial of the Grand-Duchy of Luxembourg.

Notice to Shareholders:

Notices to shareholder will be published in newspapers and in the Luxembourg Mémorial, only when such way of publication is mandatory required under the provisions of the Luxembourg Law of 1915, the Luxembourg law of the 17 December 2010 on undertakings for collective investment or other applicable laws and regulations.

All other notices to shareholders, will be :

1. mailed, translated in all languages of distribution countries where concerned Sub-Funds of the Fund are authorized for public distribution, by registered mail to the shareholders registered in the Fund's register

and will be

2. published, also in the languages of distribution countries where the concerned Sub-Funds of the Fund are authorized for public distribution, on the Management Company's web site: <https://www.creditsuisse.com/microsites/multiconcept/en.html> and on the Fund's website : [www.gfgfunds.it](http://www.gfgfunds.it)

On this web site you can also obtain free of any charges the most up to date version of the Prospectus as well as actual version of the KIIDs of the Sub-Funds registered for public distribution in different distribution countries.

Investors in the Fund are therefore explicitly invited by the Board of the Fund to regularly check the Management Company's web site in order to be kept informed on any changes of the Fund and of its Sub-Funds, which are not legally required to be published in newspapers and Luxembourg Mémorial.

## **LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND SUB-FUNDS**

### **The Fund**

The Fund has been established for an indefinite period, but the Board may, at any time, propose the dissolution of the Fund to an Extraordinary General Meeting of Shareholders.

If the capital of the Fund falls below two thirds of the minimum capital required by the law, the Board must submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be required and which shall decide by a simple majority of the Shares represented at the meeting.

If the capital of the Fund falls below one fourth of the minimum capital, the Directors must submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be required; dissolution may be resolved by a simple majority of the Shareholders holding one fourth of the Shares represented at the meeting.

The liquidation of the Fund shall be carried out in accordance with the provisions of the Law of 2010 which specifies the steps to be taken to enable shareholders to participate in the liquidation distributions and in that connection provides for deposit in escrow at the *Caisse des Consignations* in Luxembourg of any such amounts which it has not been possible to distribute to the shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds shall be distributed to the shareholders in proportion to their respective holdings.

## **Merger of Sub-Funds**

The General Meeting of Shareholders for a particular Sub-Fund may decide to cancel the Shares of that Sub-Fund and allocate to the Shareholders of that Sub-Fund Shares of another Sub-Fund. This allocation shall be made using calculations on the basis of the respective net asset values of the two concerned Sub-Funds on the date of the merger. In such cases, either the assets attributable to the Sub-Fund to be cancelled shall be allocated directly to the portfolio of the new Sub-Fund, assuming that this would be in accordance with the specific investment policy of the new Sub-Fund, or these assets shall be realized before or on the date of the merger, in which case the proceeds shall be allocated to the portfolio of the new Sub-Fund. Any decision of the Shareholders as described here above shall be subject to no quorum requirements and shall be taken by the majority of Shares present or represented in said General Meeting.

If the net assets of a Sub-Fund fall below an amount considered by the Directors as the minimum level allowing that Sub-Fund to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or in order to proceed to an economic rationalization, the Board may take a decision to close a Sub-Fund by merging it with another Sub-Fund. Moreover, the Board may take the decision to merge the Sub-Fund with another if it judges that the best interests of the shareholders in the relevant Sub-Fund warrant it, in which case the rules regarding information and publication defined hereafter shall apply.

The decision to undertake the merge shall be published and notified to the Shareholders concerned prior to the effective date of the merger. Moreover, the public announcement or notice shall present the reasons and procedure for the merger as well as contain all necessary information about the Sub-Fund to be created. The public announcement or notice shall be made at least one month before the effective date of the merger in order to give Shareholders the opportunity to request the redemption of their Shares, at no charge, before the merger comes into force.

In the same circumstances as those described in the previous paragraph, a Sub-Fund may be merged with another undertaking for collective investment governed by Part I of the Law of 2010. Publication of such decision will be made as described above including details of the merger and will be made at least one calendar month prior to the merger taking effect during which time Shareholders of the Sub-Fund to be merged may request redemption of their Shares free of charge. Furthermore, when such merger is to be implemented with a *fonds communs de placement* (i.e. a collective investment undertaking of the contractual type having the legal structure of an unincorporated co-proprietorship) or a collective investment undertaking based abroad, resolutions shall be binding only such Shareholders who have voted in favour of such merger.

## **Liquidation of Sub-Funds**

The Board may also propose to dissolve a Sub-Fund at a General Meeting of Shareholders of that Sub-Fund. The proceedings at this General Meeting shall be subject to no quorum requirements and decision to dissolve the Sub-Fund shall be taken by simple majority of the Shares in that Sub-Fund present or represented at the Meeting.

If the net assets of a Sub-Fund fall below an amount considered by the Directors as the minimum level allowing that Sub-Fund to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or in order to proceed to an economic rationalization, the decision to liquidate that Sub-Fund may be taken by the Board if the latter considers that such liquidation would serve the best interests of the Shareholders. If a Sub-Fund is dissolved, the liquidation process shall be conducted in conformity with the provisions of the Law of 2010. This legislation stipulates the procedures to be followed to enable Shareholders to share in the proceeds of the liquidation and, in this respect, specifies that any amount not distributed to Shareholders once the dissolution process has been completed shall be first kept at the depositary and for a period of six months; should the proceeds not be claimed during this period, they will be then surrendered to the *Caisse des Consignations* in Luxembourg. The net proceeds of the

liquidation for each Sub-Fund shall be distributed to the Shareholders of that particular Sub-Fund in proportion to the number of Shares held in the relevant Sub-Fund.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are deposited and kept available for inspection at the offices of the Depositary and the Fund's registered office:

1. The Fund's Articles of Incorporation and the Prospectus;
2. The latest Annual and Semi-annual Reports of the Fund;
3. The Depositary Agreement
4. Administration Agent Agreement
5. Domiciliary Agent Agreement
6. The Management Agreement;
7. The Investment Management Agreement;
8. The Key Investor Information documents;
9. Various other related agreements.

Documents listed above under 1 and 2 are also obtainable at the offices of the Depositary.

### **INVESTMENT RESTRICTIONS**

The Board is vested with the broadest powers to perform all acts of disposition and administration within the Fund's purpose, in compliance with the investment restrictions as determined here below:

The Board, based upon the principle of risk spreading, has the power to determine

- I. the investment policies to be applied in respect of each Sub-Fund;
- II. the hedging strategy to be applied to specific classes/categories of shares within particular Sub-Funds; and
- III. the course of conduct of the management and business affairs of the Fund, all within the restrictions as shall be set forth by the Board in compliance with applicable laws and regulations.

**Within those restrictions, the Board may decide that investments be made in:**

(1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market as defined in Article 4 point 1 (14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;

(2) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the EU which is regulated, operates regularly and is recognised and open to the public;

(3) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or traded on another regulated market in a non-EU Member State which operates regularly and is recognised and open to the public located within any other European, American, African or Australasian or Oceania country (hereinafter called "approved state");

(4) Money-market instruments as defined under "Investment Policy" that are not traded on a regulated market, referred to in paragraphs 1, 2, 3 above, if the issue or issuer of these instruments is itself already governed by rules providing protection for investors and investments and on condition that such instruments have been

- (i) issued or guaranteed by a central, regional or local authority, a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU 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 EU Member States belong; or

- (ii) issued by an undertaking whose securities are traded on the regulated markets mentioned in 1), 2) and 3);
- (iii) 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 Luxembourg supervisory authority CSSF to be at least as stringent as those laid down by Community law; or
- (iv) issued by other issuers belonging to the categories approved by the Luxembourg supervisory authority CSSF, provided that investor protection rules apply to investments in such instruments that are equivalent to those of the first, second or third indent of this paragraph e) and provided the issuers constitute either a company with equity capital ("*capital et reserves*") amounting to at least 10 million euro (EUR 10,000,000), which prepares, presents and publishes its annual accounts under the provisions of the Fourth Council Directive 78/660/EEC, or an entity which within a group of companies encompassing one or more listed companies is dedicated to and responsible for its financing and the financing of the group, or an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(5) Shares or units of UCITS authorised according to the Directive 2009/65/EC and/or other UCI within the meaning of the first and second indent of Article 1(2) of the Directive 2009/65/EC, should they be situated in a member state of the European Union or a non-EU country, provided that:

- (i) such other UCI have been approved in accordance with statutory rules subjecting them to supervision which, in the opinion of the CSSF, is equivalent to that applying under Community law, and that adequate provision exists to ensure co-operation between authorities. This is currently the case with all Member States of the European Union, Japan, Hong Kong, the US, Canada, Switzerland and Norway,
- (ii) the level of guaranteed protection for unit- or shareholders in such other UCI is equivalent to the level of protection provided for the unit- and/or shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and short selling of securities (uncovered sales of transferable securities) and on money-market instruments that are equivalent to the requirements of the Directive 2009/65/EC;
- (iii) the business operations of the other UCI are reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income, transactions and operations during the reporting period;
- (iv) the UCITS or other UCI in which shares are to be acquired may invest a maximum of 10% of its assets in the shares of other UCITS or UCI in accordance with its formation documents.

The Sub-Funds may also acquire shares of another Sub-Fund (cross-Sub-Fund investments) subject to the provisions of these Articles of Incorporation.

(6) Derivative financial instruments ("*derivatives*"), including equivalent cash instruments traded at one of the stock exchanges or regular markets listed in a), b) and c) above, and/or derivatives not traded on a stock exchange or regulated market ("*OTC derivatives*"), provided that:

- the underlying securities constitute instruments as defined by paragraphs a) to i) or are financial indices, interest rates, foreign exchange rates, currencies or macroeconomic indices in which the Fund may invest directly or indirectly via other existing UCIs/UCITS according to the investment objectives of its Sub-Funds,
- in transactions concerning OTC derivatives, the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belong to the categories approved by the

Luxembourg supervisory authority CSSF; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated, settled or closed by an offsetting transaction at any time by means of a back-to-back transaction at the appropriate market price at the initiative of the Fund.

(7) Recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under paragraphs a) to c) above and that such admission is secured within one year of issue;

(8) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in a non EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

Moreover, each Sub-Fund may invest no more than 10% of the net assets of its net assets in transferable securities and money market instruments other than those referred to in paragraph (1) to (3), (5) and (5) to (8) above.

(9) Each Sub-Fund may hold liquid assets on an ancillary basis.

### **Risk Diversification**

(10) In accordance with the principle of risk diversification, the Fund may invest no more than 10 % of the net assets of a Sub-Fund in transferable securities or money market instruments issued by the same single issuer. The Fund may not invest more than 20 % of the net assets of a Sub-Fund in deposits made with one and the same institution. The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of the net assets of the Sub-Fund concerned, if the counterparty is a credit institution referred to in this Article under paragraph (9) of these Articles of Incorporation. The maximum permitted risk exposure is reduced to 5 % of the net assets of the Sub-Fund in transactions with other counterparties not being credit institutions. The total value of all positions in transferable securities and money market instruments held by the Fund in such issuing bodies in each of which the Sub-Fund invests more than 5 % of its assets must not exceed 40 % of the value of its respective net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(11) Notwithstanding the individual limits laid down in this Article under paragraph (10) of these Articles of Incorporation, each Sub-Fund may not combine, where this would lead to an investment of more than 20 % of its net assets in a single issuer, any of the following:

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

(12) The limit laid down in the first sentence of this Article under paragraph (10) of these Articles of Incorporation may be raised to a maximum of 25 % for various debt instruments ('bonds') issued by credit institutions which have their registered office in an EU-member state and are subject, in that particular country, by law, to special public supervision designed to protect the bondholders. In particular, funds originating from the issue of such bonds must, in accordance with the law, be invested in assets which, during the whole period of validity of the bonds, provide sufficient cover for the obligations arising, and in case of bankruptcy of the issuer, provide for a preference right in respect of the payment of capital and interest that would be capable of coverings used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If the Sub-Funds invests more than 5 % of its net assets in such bonds issued by a same single issuer referred to in the preceding sub-paragraph, the total value of such investments may not exceed 80% of the net assets of that Sub-Fund.

The aforementioned limit of 10% may be raised to a maximum of 35% for securities or money-market instruments that are issued or guaranteed by an EU Member State or its central, regional and local authorities,



by another approved country, or by public-law international organisations that have been started, are guaranteed or to which one or more EU states belong.

The transferable securities and money market instruments referred to in the first two paragraphs of this Article under paragraph (12) of these Articles of Incorporation shall not be taken into account for the purpose of applying the limit of 40 % referred to in this Article under paragraph (10) of these Articles of Incorporation.

The limits set out in this Articles under paragraph (10), (11), and (11) of these Articles of Incorporation may not be combined nor accumulated; thus investments in transferable securities or money market instruments issued by the same single issuer, or in deposits or in derivative instruments made with this single issuer carried out in accordance with this Article under paragraph (10), (11) and (12) of these Articles of Incorporation may not exceed in total 35 % of the net assets of the Sub-Fund.

Companies which belong to the same group for the purposes of preparation of consolidated accounts, as defined in Directive 83/349/EEC or in accordance with recognised international accounting principles, must be treated as a single issuer for the purpose of calculating the limits contained in this Article.

However, investments by a Sub-Fund in transferable securities and money market instruments within the same single group of companies may cumulatively amount up to a limit of 20 % of the net assets of the Sub-Fund concerned.

**The Fund may further invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk diversification, in transferable securities and money market instruments issued or guaranteed by an EU-member state or its central, regional and local authorities, by another approved country, as the case be a non-EU member state, or by public-law international organisations to which one or more EU Member States belong, such as for example the Organization for Economic Co-Operation and Development or a non-member state of the EU approved by the CSSF. In such event, the Sub-Fund concerned must hold securities or money-market instruments from at least six different issues, but securities from any one and the same issue may not account for more than 30% of the total amount.**

(13) Investments in other UCITS or UCI are governed by the following conditions:

- (a) The Fund may invest up to 20% of the net assets of a Sub-Fund in shares of a single UCITS or UCI. For the interpretation of this investment limit, each Sub-Fund of a UCI with several Sub-Funds is regarded as an independent issuer provided that each Sub-Fund bears individual responsibility in respect of third parties.
- (b) Total investments in units of other UCI as a UCITS may not exceed 30% of the relevant Sub-Fund's net assets. The assets invested in the UCITS or other UCIs shall not be included in the calculation of the maximum limits set out in this Article under paragraphs (11), (12) and (13) of these Articles of Incorporation.
- (c) For Sub-Funds which in line with their investment policy invest a significant portion of their assets in shares or units of other UCITS and/or UCI, the maximum management fees chargeable by the Sub-Fund itself and by the other UCITS and/or UCI in which it invests are described in further detail under this prospectus.

(14) Investments in shares issued by one or more other Sub-Funds of the Fund:

The Sub-Funds may also subscribe for, acquire and/or hold shares issued or to be issued by one or more Sub-Funds subject to additional requirements which may be specified in the sales documents, if:

- (a) the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- (b) no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to its Articles of incorporation, be invested in aggregate in units/shares of other UCIs; and
- (c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned; and

- (d) in any event, for as long as these securities are held by the relevant Sub-Fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
- (e) there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Fund, and this target Sub-Fund.

(15) (i) The Fund may invest a maximum of 20 % of its investments in shares and/or debt securities issued by the same body when, according to the relevant Sub-Fund's investment policy its purpose is to replicate the composition of a certain stock or debt securities index which is recognised 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.

(ii) The limit laid down in this Article under paragraph (15) (i) of this Article is raised to 35 % where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

If the limits mentioned in the Article under paragraphs (10) and (11) of this Article are exceeded unintentionally or due to the exercise of subscription rights, the Fund must attach top priority in its sales of securities to normalising the situation while, at the same time, considering the best interests of shareholders.

Provided that they continue to observe the principles of diversification, newly established Sub-Funds and merging Sub-Funds may deviate from the specific risk diversification restrictions mentioned above for a period of six months after being approved by the authorities respectively after the effective date of the merger.

Provided the particular Sub-Fund's investment policy does not specify otherwise, it may invest no more than 10% of its assets in other UCITS or UCI or in other Sub-Funds of the Fund.

### **Investment Restrictions**

The Fund may not:

- (1) acquire securities the sale of which is restricted due to contractual agreements;
- (2) acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body;
- (3) acquire more than:
  - (i) 10% of the non-voting shares of the same issuer;
  - (ii) 10% of the debt securities of the same issuer;
  - (iii) 25% of the units of the same UCITS or other UCI within the meaning of article 2 of the Law;
  - (iv) 10% of the money-market instruments of any single issuer.

The limits laid down in (ii)-(iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money-market instruments, or the net amount of the instruments in issue cannot be calculated.

The limits laid down with regard to transferable securities and money-market instruments are waived for transferable securities and money-market instruments issued or guaranteed by an EU member state or its local authorities or guaranteed by a non-member state of the EU or issued by public international bodies of which one or more member states of the EU are members; shares held in the capital of a company incorporated in a non-member state of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that state under the conditions of the Law; shares held in the capital of subsidiary companies, which carry on the business of management, advice or

marketing in the country where the subsidiary is established, with regard to the repurchase of units at the request of shareholders exclusively on their behalf;

- (4) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in this Article paragraphs (5), (6) and (9) of these Articles of Incorporation;
- (5) acquire either precious metals or certificates representing them;
- (6) invest in immovable property;
- (7) borrow. However, the Fund may acquire foreign currency by means of a back-to-back loans and on a temporary basis and no more than 10 % of its assets;
- (8) grant loans or act as a guarantor for third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in this Article under paragraphs (5), (6) and (9) of these Articles of Incorporation which are not fully paid;

Any other applicable investment restrictions are specified in the sales documents.

(9) Specific rules for Sub-Funds established as a master/feeder structure

- (i) A feeder-Sub-Fund is a Sub-Fund, which has been approved to invest, by way of derogation from article 2, paragraph (2), first indent of the Law at least 85% of its assets in units of another UCITS or Sub-Fund thereof (hereafter referred to as the "master UCITS").
- (ii) A feeder-Sub-Fund may hold up to 15% of its assets in one or more of the following:
  - a) ancillary liquid assets in accordance with this Article under paragraph (10) of these Articles of Incorporation;
  - b) financial derivative instruments, which may be used only for hedging purposes, in accordance with this Article under paragraph (7) of these Articles of Incorporation and article 42, paragraphs (2) and (3) of the Law;
  - c) movable and immovable property which is essential for the direct pursuit of its business;
- (iii) For the purposes of compliance with article 42, paragraph (3) of the Law, the feeder-Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure with:
  - a) either the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder-Sub-Fund investment into the master UCITS;
  - b) or the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder-Sub-Fund's investment into the master UCITS.
- (iv) A master UCITS is a UCITS, or a Sub-Fund thereof, which:
  - a) has, among its shareholders, at least one feeder UCITS;
  - b) is not itself a feeder UCITS; and
  - c) does not hold units of a feeder UCITS.
- (v) If a master UCITS has at least two feeder UCITS as shareholders, article 2, paragraph (2), first indent and article 3, second indent of the Law shall not apply.

- (vi) If a Sub-Fund acts as master UCITS, it may not charge subscription or redemption fees to the feeder-UCITS.

All powers not expressly reserved by law or by the Articles of Incorporation to the general meeting of shareholders are in the competence of the Board.

The Board may appoint a management company submitted to Chapter 15 of the Law, Investment, as amended from time to time, in order to carry out the functions described in Annex II of the Law, as amended or replaced from time to time.

### **Cross Sub-Fund Investments**

Pursuant to Article 181 (8) of the Law of 2010 and subject to the conditions provided for in the Articles of Incorporation of the Fund, each Sub-Fund may subscribe to, acquire and/or hold Shares of another Sub—Fund (“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
- no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may be, according to its investment policy, invested in aggregate in units of other UCITS and/or UCIs; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the concerned Sub-Fund and without prejudice to the appropriate processing in the accounts and periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law.

## **FINANCIAL TECHNIQUES AND INSTRUMENTS**

### **1. General principle**

The Company must 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 the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

The Company may employ securities financing transactions (“SFTs”) as described in section “SFTs and TRS” hereunder and derivative instruments relating to transferable securities and money market instruments amongst others for hedging purposes, efficient portfolio management, duration management or other risk management of the portfolio as described here below.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section “Investment Restrictions”.

However, the overall risk exposure related to financial derivative instruments will not exceed the total net asset value of the Company.

This means that the global exposure relating to the use of financial derivative instruments may not exceed 100% of the net asset value of the Company and, therefore, the overall risk exposure of the Company may not exceed 200% of its net asset value on a permanent basis.

Each Sub-Fund will employ the commitment or VAR approach to calculate their global exposure accordingly to the risk profile of the Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

A Sub-Fund may also invest in OTC financial derivative instruments including but not limited to non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, swaptions, credit default swaps, and credit

linked note for either investment or for hedging purposes.

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds (“**ETFs**”) and other UCITS issues as described in CSSF circular 14/592 and with EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015 and CSSF Circulars CSSF 08/356, CSSF 11/512 CSSF 14/592. (“**SFTR**”).

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

In no case the use of financial derivatives instruments or other financial techniques and financial instruments may lead the Company to diverge from its investment objectives as expressed in the Prospectus.

When entering into Total Return Swaps (“**TRS**”) arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the Law of 2010.

Likewise, in accordance with Article 42 (3) of the Law of 2010 and Article 48 (5) of CSSF Regulation 10-4, the Company must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the Law of 2010.

The Fund may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialized in this type of transaction and subject to prudential supervision. These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the Law of 2010 or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to a leverage of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Company a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

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

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

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically, investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses

related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

Furthermore, the Company may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described here -below are complied with.

## 2. SFTs and TRS

### 2.1 General provisions related to SFTs and TRS

The Company will make use of the following SFTs:

- **“securities lending” or “securities borrowing”** means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
- **“repurchase agreement transaction”** means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
- **“buy-sell back transaction” or “sell-buy back transaction”** means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

The Company may enter into credit derivatives contracts. Credit derivatives are transactions which are designed to isolate and transfer the credit risk associated with a third party (the reference entity) or a basket/index of reference entities. Such credit default products will typically be divided into two categories, **namely “funded” and “unfunded”**, depending on whether or not the credit protection seller makes an initial principal payment in respect of the reference asset.

**There are many ways in which this can be done, which essentially involve four types of transaction.**

**The first type**, credit default products, consists of transactions under which the parties’ obligations depend on whether a "credit event" has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. In entering into these credit default products, the Issuer

may be a credit protection buyer or a credit protection seller.

**The second type consists of total return swaps ("TRS")** which means total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

When entering into Total Return Swaps ("TRS") arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Company must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the Law of 2010.

Likewise, in accordance with Article 42 (3) of the Law of 2010 and Article 48 (5) of CSSF Regulation 10-4, the Company must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the Law of 2010.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialized in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the Law of 2010 or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to an average of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Company a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

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

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

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically, investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

**The third type**, credit spread derivatives, are credit protection transactions under which the payments may be made by either a credit spread or protection buyer or seller depending on the relative credit standings of two or more reference assets, measuring the market value of a particular asset against the market value of another asset, one of which typically being of "benchmark" quality, i.e. of a highly creditworthy obligor, such as a

sovereign entity.

**The fourth type**, credit spread options, are credit derivatives designed to hedge against or take advantage of changes in credit spreads under which a reference credit instrument or index is selected and the strike spread, exercise date(s) and maturity date are set. The pay-off is based on whether the actual spot spread of the reference credit instrument or index as at the option exercise date is greater or less than the strike spread. The transaction may be either based on changes in a credit spread of a reference credit instrument or index against a market benchmark (e.g. LIBOR or U.S. Treasuries) or changes in the relative spread between two credit instruments or indices or a combination thereof.

All credit derivative risks are monitored and included at their full underlying value (including the underlying assets in inventory and the associated loan as a liability) for the purpose of maintaining compliance with investment restrictions.

Furthermore, the Company may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described here below are complied with.

The Company and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes.

Any use of SFTs for investment purposes will be in line with the risk profile and risk divarication rules applicable to the Company and any of its Sub-Funds.

The maximum and expected proportion (i) of assets that may be subject to SFT and TRS and (ii) for each type of assets that are subject to TRS or SFT will be set out for each Sub-fund in the relevant Special Section.

If a Sub-fund intends to make use of SFT and TRS, the relevant Special Section will include the disclosure requirements of the SFTR.

The assets that may be subject to SFTs and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

**The maximum proportion and the expected proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is disclosed on the respective Sub Fund`s level.**

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating. The Company will therefore only enter into SFTs and TRS with such financial defined in Art 3 of the **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**. Further such financial counterparties have to be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the Board of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.



The Company will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section **“Collateral Management and Policy”**.

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

**The assets of a Sub-Fund that are subject to SFTs and TRS, and any collateral received, are held by the Depositary.**

Where there is a title transfer, the collateral received must be held by the Depositary. The Depositary may delegate the custody of the collateral to a sub-depositary but it will retain overall responsibility for the custody of the collateral. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The Depositary will further ensure, in accordance with the requirements of the UCITS Directive that the assets of the Company held in custody by the Depositary shall not be reused by the Depositary or by any third party to whom the custody function has been delegated for their own account.

The Company’s assets may be reused for the account of the Company where:

- a) the reuse of the assets is executed for the account of the Company;
- b) the Depositary is carrying out the instructions of the Management Company;
- c) the reuse is for the benefit of the Company and in the interest of the shareholders; and
- d) the transaction is covered by high quality and liquid collateral received by the Company under a title transfer arrangement with a market value at all times at least equivalent to the market value of the reused assets plus a premium.

#### **Policy on sharing of return generated by SFTs and TRS**

All revenues arising from SFTs will be returned to the Sub-Funds as below determined:

Securities lending	at latest 50 % of the income generated by Securities lending are returned back to the Sub-Fund participating in Securities lending.
Securities borrowing	at latest 50 % of the income generated by Securities borrowing are returned back to the Sub-Fund participating in Securities borrowing.
Repurchase agreements	at least 50 % of the income generated by Repurchase Agreements are returned back to the Sub-Fund having established repurchase agreements.
Buy-sell back transaction	at least 50 % of the income generated by buy–sell back transactions are returned back to the Sub-Fund participating in buy–sell back transactions.
Sell-buy back transaction	at least 50 % of the income generated by sell–buy back transactions are returned back to the Sub-Fund participating in sell-buy back transactions.

Regarding TRS (including CFDs) all revenues will be returned to the Sub-Fund that will be charged with up to 100% of the costs related to these operations.

Applicable to SFT a maximum of up to 50 % of the income of the SFT may be paid as fees, commissions, costs or expenses may be paid to “SFT Agents” of the Sub-Fund as normal compensation of their services (Hereafter referred to as operational costs).

SFT Agent means any person involved in SFTs and/or TRSs as securities lending agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-fund's assets (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).

SFT Agents are not related parties to the Investment Manager or the Management Company.

The SFT Agents that will charge operational costs and the amount of such costs will be disclosed in the annual report of the Company.

## 2.2 Securities Lending and Borrowing

The Company in order to achieve a positive return in absolute terms may enter into securities lending transactions and borrowing transaction provided that they comply with the SFTR and the provisions set forth in CSSF's Circular 08/356, CSSF's Circular 14/592 and ESMA Guidelines 2014/937 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time, as follows:

i. The Company may only lend or borrow securities through a standardized system organized by a recognized clearing institution or through a first-class financial institution specializing in this type of transaction approved by the Board of the Management Company. In all cases, the counterparty to the securities lending or borrowing agreements must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement. If the Company lends its securities to entities that are linked to the Company by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.

ii. As part of lending transactions, the Company must in principle receive an appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.

iii. All assets received by the Company in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under section "**Collateral Management and Policy**".

iv. In case of a standardized securities lending system organized by a recognized clearing institution or in case of a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Company a guarantee which the value at conclusion of the contract must be at least equal to the total value of the securities lent.

v. The Company must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of Company's assets in accordance with its investment policy.

vi. With respect to securities lending, the Company will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included) as further described hereunder in section "**Collateral Management and Policy**".

vii. Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Each Sub-Fund may borrow securities under the following circumstances in connection with the settlement

of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the relevant Sub-Funds.

viii. The Company ensures that it is able at any time to recall any security that has been lent or terminate any securities lending transaction into which it has entered; and

**Multiconcept Fund Management S.A., as Management Company of the Company, does not act as securities lending agent.** If Multiconcept Fund Management S.A. takes over this function and activity, the Prospectus will be updated accordingly.

The Company's annual report will provide details on the depositary of the Company, provided they receive direct and indirect operational costs and fees.

### **2.3 Repurchase Agreement Transactions**

The Company may on an ancillary basis, in order to achieve a positive return in absolute terms may enter into repurchase agreement transactions, which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Company can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

i. The Company may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the Board of the Management Company.

ii. At the maturity of the contract, the Company must ensure that it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution of the Company. The Company must take care to ensure that the volume of the repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligation towards shareholders.

iii. The Company must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.

iv. The Company must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

v. Repurchase agreement and reverse repurchase agreements will generally be collateralized as further described hereunder in section "**Collateral Management and Policy**", at any time during the lifetime of the agreement, at least their notional amount.

vi. The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be in accordance with the Sub-Fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven (7) days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

### 3. Disclosure to Investors

In connection with the use of techniques and instruments ant Company, will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- the use of TRS and SFTs pursuant to the SFTR.
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

### 4. Collateral Management and Policy

As security for any SFTs and OTC financial derivatives transactions, the relevant Sub-Fund will obtain collateral, under the form of bonds (bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope) and cash, covering at least the market value of the financial instruments object of SFTs and OTC financial derivatives transactions.

**Collateral received must at all times meet the following criteria:**

- (a) Liquidity: Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.
- (b) Valuation: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily, it being understood that the Company does not intend to make use of daily variation margins.
- (c) Issuer credit quality: The Company will ordinarily only accept very high-quality collateral.
- (d) Safe-keeping: Collateral must be transferred to the Depositary or its agent.
- (e) Enforceable: Collateral must be immediately available to the Company without recourse to the counterparty, in the event of a default by that entity.
- (f) Non-Cash collateral:
  - 1. cannot be sold, pledged or re-invested;
  - 2. must be issued by an entity independent of the counterparty; and
  - 3. must be diversified to avoid concentration risk in one issue, sector or country.
- (g) The maturity of the non-cash collateral shall be a maximum of 5 years.
- (h) Cash Collateral can only be:
  - placed on deposit with entities prescribed in Article 41(f) of the Law;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds as defined in ESMA's Guidelines on a Common Definition of European Money Market Funds. Each Sub-Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512 and the ESMA Guidelines.

Re-invested cash collateral will expose the Sub-Fund to certain risks such as foreign exchange risk, the risk of a

failure or default of the issuer of the relevant security in which the cash collateral has been invested. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities. During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

- (i) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a UCITS may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value.
- (ii) UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

## 5. Haircut Policy

The Company has set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral mentioned above. Such policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy.

When entering into securities lending and borrowing transactions, each Sub-Fund must receive, in principle, a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 105% of the global valuation (interests, dividends and other possible rights included) of the securities lent, depending on the degree of risk that the market value of the assets included in the guarantee may fall:

- Government bonds with maturity up to 1 year: Haircut between 0 and 2%
- Government bonds with maturity of more than 1 year: Haircut between 0% and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into repurchase or reverse repurchase transactions, each Sub-Fund will obtain the following collateral covering at least the market value of the financial instrument object of the transaction:

- Government bonds with maturity up to 1 year: Haircut between 0 and 5%
- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into OTC transaction each Sub-Fund must receive or pay a guarantee managed by the Credit Support Annex (CSA) to the ISDA in place with each counterparty and it will obtain the following collateral

covering at least the market value of the financial instrument object of the OTC transaction:

- Cash: 0%
- Government bonds with maturity up to 1 year: Haircut between 0 and 2%
- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on a case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions. Collateral received or paid by the Company shall predominantly be limited to cash and government bonds according to the CSA.

All assets received in the context of Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques in accordance with the Circular 14/592 will be considered as collateral and will comply with the criteria set up above.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

For all the Sub-Funds receiving collateral for at least 30% of their assets, the Company will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

The Company must proceed on a daily basis to the valuation of the guarantee received or paid, using available market prices and taking into account appropriate discounts which will be determined in accordance with the CSA for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets.

## **6. Currency Hedging**

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency, including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant Sub-Fund -known as "hedging by proxy"- may not exceed the total valuation of the assets and liabilities held in such currency nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

In its financial reports, the Company must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

## **Risk Management Process**

The Management Company of the Fund will employ a risk-management process which enables it with the Investment Manager 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 of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

## **RISK CONSIDERATIONS**

### **General**

The Sub-Funds are subject to risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur. The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Sub-Fund varies from the Investor's home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual

### **Risks of investment**

The Fund bears the general risks laid down below. However, each Sub-Fund is subject to specific risks, which the Board will seek to lower, as listed in the Appendix.

### **Equity Securities**

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **Portfolio Turnover**

Each Sub-Fund will be actively managed, and the investment strategy followed by the Sub-Funds may involve, depending on the market conditions and its volatility, a high volume of transactions, resulting in high portfolio turnover. As a result, the Sub-Fund will be subject to higher brokerage fees.

### **Investment in Collective Investment Schemes**

Investment in collective investment schemes may embed a duplication of the fees and expenses charged to the Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees and other service providers' fees. The accumulation of these costs may entail higher costs and expenses than would have been charged to the Fund if the latter had invested directly. The Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by investors.

Also, the Fund must ensure that its portfolios of targeted collective investment schemes present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to meet redemption requests as and when they are submitted. Any absence of liquidity may impact the liquidity of the Fund's Shares and the value of its investments.

### **Investment in Warrants**

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may

result in greater volatility in the price of the Shares. Thus, due to their nature, warrants may involve Shareholders in a greater degree of risk than conventional securities would do.

### **Stock Market Volatility**

The net asset value of the Fund will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

### **Issuer-Specific Risk**

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

### **Interest Rate Risks**

The net asset value of the Fund will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

### **Risk Considerations applicable to the use of derivatives**

The attention of prospective investors is drawn to the fact that the acquisition of financial derivative instruments in the aim of increasing results may entail certain risk, which may in turn have a negative impact on the overall performance of the Sub-Funds.

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Investment in derivatives may add volatility to the performance of the Sub-Funds and involve peculiar financial risks.

The following is a summary of the risk factors and issues concerning the use of derivatives instruments (FDI) that investors should understand before investing in the Company.

- **Market Risk**

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to the Company's interests.

- **Control and Monitoring**

Derivative products are highly specialized 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 derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Company and the ability to forecast the relative price, interest rate or currency rate movements correctly.

- **Legal risk**

There may be a risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

There may be a risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of



contracts, laws or regulations.

The use of Over the Counter (OTC) derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

The terms of Over the Counter Financial Derivative Instrument (OTC FDI) are generally established through negotiation between the parties thereto.

While therefore more flexible, OTC FDI may involve greater legal risk than exchange-traded instruments, which are standardized as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC FDI are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. A Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Fund and the Fund's ability to pursue its trading strategies.

#### **Risk linked to the reuse of collateral or any guarantee granted under any leveraging arrangement**

Investors should take explicitly into account the risk of reuse of collateral or and any guarantee granted under any leveraging arrangement.

#### **Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

#### **Counterparty Risk**

The Company may enter into transactions in OTC markets, and the Sub-Funds may incur losses through their commitments vis-à-vis a counterparty on the techniques described above, in particular its swaps, TRS ("TRS"), forwards, in the event of the counterparty's default or its inability to fulfil its contractual obligations. This will expose the Company to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Company could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

#### **Contingent convertible instruments risk**

Such types of financial instruments, also known as "**CoCo bonds**", "**CoCos**" or "**Contingent Convertible Notes**", are slightly different to regular convertible bonds in that the likelihood of the bonds converting to equity is "contingent" on a specified event (the "**trigger**"), such as the stock price of the company exceeding a particular level for a certain period of time.

CoCos are also a form of capital that regulators hope could help buttress a bank's finances in times of stress. CoCos are different to existing hybrids because they are designed to convert into shares if the pre-set trigger is breached in order to provide a shock boost to capital levels and reassure investors more generally. Hybrids, including CoCos, contain features of both debt and equity. They are intended to act as a cushion between senior

bondholders and shareholders, who will suffer first if capital is lost. The bonds usually allow a bank to either hold on to the capital past the first repayment date, or to skip paying interest coupons on the notes.

Shareholders should fully understand and consider the risks of CoCos and correctly factor those “**risks into their valuation**”. One inherent risk is related to the trigger levels (“**trigger level risk**”). Such levels determine the exposure to “**the conversion risk**”, depending on the distance to the trigger level. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator. As a result, the bond can be converted into equity at an unfavorable moment.

Furthermore, there is the “**risk of coupon cancellation**”. While all CoCos are subject to conversion or “**write down**” (i.e. the risk to lose part or all of the original investment, the “**write-down risk**”) when the issuing bank reaches the trigger level, for some CoCos there is an additional source of risk for the Shareholder in the form of coupon cancellation in a going concern situation. Coupon payments on such type of instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on such CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation (the “**valuation risk**”) of such instruments and may lead to mispricing of risk. Such CoCo holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Further the “**Capital structure inversion risk**” should be taken into account: Contrary to classic capital hierarchy, investors in CoCos may also suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy, where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo, when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern, but conceivably in advance of lower trigger CoCos and equity.

Some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority (the “**call extension risk**”). It cannot be assumed that the perpetual CoCos will be called on call date. Such CoCos are a form of permanent capital. In these cases, the Shareholder may not receive return of principal if expected on call date or indeed at any date. Moreover, Shareholders might only resell CoCos on a secondary market, this potentially leading to the related “**liquidity and market risks**”.

In addition, there might arise risks due to “unknown factors” (the “**unknown risk**”). 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 unclear whether the market will view the issue as an idiosyncratic event or systemic. 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.

Shareholders are also advised to consider the further risks associated with the investment in CoCos, in particular the “**industry concentration risk**” (which can result from the uneven distribution of exposures to financials due to the CoCos feature and structure, being CoCos requested to be part of the capital structure of financial institutions) and the “**liquidity risk**” (due to the fact that CoCos entail a liquidity risk in stressed market conditions, as a result of their general lower market volume compared to plain-vanilla bonds and of their specific investors).

Finally, Shareholders have been drawn to the instrument as a result of the CoCos’ often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether Shareholders have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favorably from a yield standpoint. The concern is whether Shareholders have fully considered the “**risk of conversion or coupon cancellation**”.

For further information, please refer to the statement from the European Securities and Markets Authority

(ESMA/2014/944) dated July 31, 2014, regarding potential risks associated with investing in contingent convertible instruments.

### **Special risk applicable to Sub-Funds investing in Asset Backed Securities /Mortgage Backed Securities**

Indirect Investments in ABS/MBS carry the risk of default of the underlying collateral. Moreover, the scheduled amortization plan is subject to a certain degree of uncertainty due to the uncertainty in the timing of the cash flows of the underlying collateral.

Liquidity may be limited during times of market stress.

Furthermore, the Sub-Fund may be due to the indirect investments in ABS/ MBS subject to other risks. Indeed, rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Sub-Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk.

In addition, mortgage-related securities are subject to prepayment risk.

When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of an invested target Fund because the target Fund will have to reinvest that money at the lower prevailing interest rates.

The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose a Sub-Fund to a lower rate of return upon re-investment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed Income Securities.

The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers.

Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

### **Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favor of the Sub-Fund.

However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralized.

Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralized. In addition, the value of collateral may decline between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the respective Sub-Fund. A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-

Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Company may enter into securities lending, repurchase or reverse repurchase transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Company in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

- In relation to repurchase transactions, investors must notably be aware that:

(A) in the event of the failure of the counterparty with which cash of the Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded;

(B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realizing collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment;

(C) repurchase transactions will, as the case may be, further expose the Fund to risks similar to those associated with optional or forward derivative financial instruments as underlings, which risks are lent or further described in other sections of this prospectus.

- In relation to securities lending transactions, investors must notably be aware that:

(A) if the borrower of securities lent by the Fund fail to return these there is a risk that the collateral received may realize less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded;

(B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that

(C) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

### **Operational & Custody Risk**

Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

### **Special risk applicable to Sub-Funds investing in Total Return Swaps**

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic

replication therefore involves lower costs than physical replication.

Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full.

Where the Company and any of its Sub-funds enters into TRSs on a net basis, the two payment streams are netted out, with Company or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Company's or relevant Sub-fund's risk of loss consists of the net amount of total return payments that the Company or Sub-Fund is contractually entitled to receive.

### **Special risk applicable to Sub-Funds investing in Credit Default Swap (“CDS”)**

A credit default swap is a derivative instrument that is a mechanism for transferring and transforming credit risk between purchaser and seller. The protection buyer purchases protection from the protection seller for losses that might be incurred as a result of a default or other credit event in relation to an underlying security. The protection buyer pays a premium for the protection and the protection seller agrees to make a payment to compensate the protection buyer for losses incurred upon the occurrence of any one of a number of possible specified credit events, as set out in the CDS agreement. In relation to the use of CDS, the Sub-Fund may be a protection buyer and/or a protection seller. A credit event is an event linked to the deteriorating credit worthiness of an underlying reference entity in a credit derivative. The occurrence of a credit event usually triggers full or partial termination of the transaction and a payment from protection seller to protection buyer. Credit events include, but are not limited to, bankruptcy, failure to pay, restructuring, and obligation default.

The price at which a Credit Default Swaps (“CDS”) trades may differ from the price of the CDS' referenced security. In adverse market conditions, the basis (difference between the spread on bonds and the spread of CDS) can be significantly more volatile than the CDS' referenced securities.

### **Political and/or Regulatory Risks**

The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The Fund is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional advisor for further information in this area.

### **Special risk consideration regarding investments in high yield debt securities**

Certain High Yield Bonds are speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments.

The attention of the potential Investor is drawn to the type of high-risk investment that the Portfolios are authorised to make when they invest in High Yield Bonds.

Compared to higher-rated securities, lower-rated High Yield Bonds generally tend to be more affected by

economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid.

The Portfolios may also invest in High Yield Bonds placed by emerging market issuers that may be subject to greater social, economic and political uncertainties or may be economically based on relatively few or closely interdependent industries.

Corporate Debt Securities may bear Fixed Coupon or Fixed and Contingent Coupon or Variable Coupon and may involve equity features such as conversion or exchange rights or warrants for the acquisition of stock of the same or a different issuer (e.g. synthetic convertibles) or participation based on revenue, sales or profits.

### **Market and Settlement Risks**

1. The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.
2. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets.
3. The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
4. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
5. The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.
6. Settlement procedures may be less developed and still be in physical as well as in dematerialized form.

### **Risk for Emerging Market Assets**

Exposure to emerging markets assets generally entails greater risks than exposure to well-developed markets, including potentially significant legal economic and political risks.

Emerging markets are by definition “in transformation” and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may affect investor confidence, which could in turn have a negative impact on the prices of emerging market exchange rates, securities or other assets.

The prices of emerging market exchange rates, securities or other assets are often highly volatile. Movements in such prices are influenced by, among other things, interest rates, changing market supply and demand, external market forces (particularly in relation to major trading partners), trade, fiscal, monetary programs, policies of governments, and international political and economic events and policies.

In emerging markets, the development of securities markets usually is at an early stage. This could lead to risks and practices (such as increased volatility) that are not common in more developed securities markets, which may negatively affect the value of securities listed on the exchanges of such countries. In addition, markets of emerging market countries are often characterized by illiquidity in the form of a low turnover of some of the listed securities.

It is important to note that, during times of global economic slowdown, emerging market exchange rates, securities and other assets are more likely than other forms of investment with lower risks to be sold during any “flight to quality”, and their value may decrease accordingly.

## **Risk for Investment in China**

Investments in China involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity for some lines of the portfolio.

## **Foreign Exchange/Currency Risk**

Although Shares in the Fund may be denominated in a particular currency, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a number of risks as follows:

1. Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
2. The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
3. Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
4. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

## **Execution and Counterparty Risk**

The Fund may be subject to the risk of the inability of the counterparty, or any other entities, in or with which an investment or transaction is made, to perform in respect of undertaken transactions, whether due to insolvency, bankruptcy or other causes.

In some markets there may be no secure method of delivery against payment which would minimize the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

Where the Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the criteria defined in the CSSF Circular 13/559 and in the ESMA Guidelines 2012/832.

## **Illiquidity/Suspension of Share dealings**

Some Sub-Funds may face temporary illiquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.

Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, illiquidity situations may lead the Fund to suspend or defer the redemption or conversion of Shares.

## **Custody Risk**

Local custody services in some of the market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

## **Taxation**

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details relating to the Luxembourg tax legislation are given under the heading "Tax Aspects" in the main part of the prospectus. However, nothing in this Prospectus may be construed any tax advice and investors should consult

their own professional advisors regarding any tax issues in the context of any contemplated investment in the Fund.

## **The Banking System**

The banking systems in emerging market countries including the one in Russia are still developing. Companies within Russia are subject to risks of insolvency of a bank due, inter alia, to under capitalisation, concentrated debtor risk, inefficient and inexperienced management and the effect of inefficiency and fraud on bank transfers. In addition, banks have not developed the infrastructure to channel domestic savings to companies in need of finance which therefore can experience difficulty in obtaining working capital.

## **Distressed Securities Risk**

Distressed securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. A Sub-Fund investing in these Securities will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. In addition, distressed securities involve the substantial risk that principal will not be repaid. These securities may present a substantial risk of default or may be in default at the time of investment. The applicable Sub-Fund invested in Distressed Securities may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the concerned Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Distressed securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

The risks associated with this type of instrument are further as follows:

1. Credit risk: This risk is particularly high in the case of distressed debt, as it is a debt in restructuring or in default. The probability of recovering the investment is then very low.
2. Liquidity risk: This risk is particularly high in the case of distressed debt, as it is a debt in restructuring or in default. The probability of being able to sell it in the short or medium term is then very low.

## **Sustainability Risk**

### **General information relating to Sustainability risks integration**

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”), the Sub-Funds are required to disclose the manner in which sustainability risks within the meaning of SFDR are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Funds.

The Fund recognizes that various sustainability risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

The Investment Manager is responsible for the incorporation of materially relevant sustainability risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. To do this, the Investment Manager leverages the following information and resources:

- A) Target companies disclosed information (which may include a company’s quarterly financials, earnings calls, general company reporting and / or disclosures, including sustainability-related disclosures);
- B) Publicly available data (such as news reports or industry data); and
- C) Third-party research and data.

Additionally, the Investment Manager conducts top-down sustainability investment risk analysis of all portfolios. This includes exposure to sustainability risks (using third party ratings and data), controversial business



exposures, compliance with UN Global Compact, and the potential impact of different climate change and transition risk scenarios. Furthermore, as needed and requested, the risk team collaborates with the investment teams to conduct analyses on the sustainability risk on selected portfolio themes and companies.

The Fund also recognizes that the universe of relevant sustainability risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style.

#### **Assessment of the likely impact of sustainability risks on returns of the Sub-Funds**

- From time to time the Sub-Funds will be exposed to sustainability risks which, if they materialize, can reduce the value of underlying investments held within the Sub-Fund and could impact on the performance of the overall Sub-Funds portfolio. The Investment Manager actively monitors sustainability risks related to each Sub-Fund and in ordinary market conditions, does not expect sustainability risks to have a material negative financial impact on the value or performance of any of the Sub-Funds.
- The Sub-Funds are typically broadly diversified, it is therefore not anticipated that any single sustainability risk will drive a material negative financial impact on the value of any of the Sub-Funds.

## APPENDIX I: SUB-FUNDS ALREADY IN OPERATION/ DORMANT SUB-FUNDS

This appendix will be updated to take account of any changes in one of the Sub-Funds already operating or whenever a new Sub-Fund is set up.

### 1. GFG FUNDS – EURO GLOBAL BOND

#### Profile of the typical Investor

The Sub-Fund will be suitable for investors who are conservative, risk-averse investors, whereby income and preservation of principal are their primary objectives over the long term. Investors should be aware, however, that the preservation of capital is not guaranteed.

#### Objectives and investment policy

The Sub-Fund is a low-risk vehicle, which is actively managed without reference to a benchmark and aiming to over-perform the European investment grade fixed income market. The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. Information about the environmental or social characteristics promoted by the Sub-Fund and disclosures in relation to Art. 6 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (“**Taxonomy Regulation**”) is available in the Annex I.1 of the Prospectus.

The Sub-Fund is mainly invested in a diversified portfolio of bonds and any other debt securities (including money market instruments), denominated in euro.

Direct investment in debt securities in the portfolio will have a minimum rating of BB-. The Sub-Fund is allowed to invest up to 5% in not rated bonds and up to 10% in High Yield securities.

The rating used will be the highest rating among the available ratings issued by the available principal rating agencies. Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Direct investments in distressed or defaulted securities are not allowed under this Sub-Fund.

Except the exposure to euro, the choice of investments will neither be limited by geographical area (including emerging markets), economic sector nor in terms of maturity of debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single economic sector.

Non-euro denominated assets may be hedged back into euro, as far as possible, in order to minimize the risks of currency fluctuations.

Within the limits set out in the investment restrictions in the main body of the Prospectus, for hedging and for any other purposes, the Sub-Fund may use financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. The Sub-Fund may take exposure through financial derivative instruments such as:

1. futures
2. options
3. forwards

on any underlying such as currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities and financial indices, eligible according to the article 44 of the Law 2010.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

On an ancillary basis, the Sub-Fund may also gain exposure through investments in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

The Sub-Fund may invest up to 10% of its assets in units of UCITS, including ETF qualifying as UCITS in accordance to Article 41 (1) e) of the Law of 2010 and Règlement Grand Ducal 2008. This investment may lead the Sub-Fund to have a marginal indirect exposure (up to 10%) in ABS/ MBS, CoCo and convertible bonds, CFDs and securities with rating below BB-.

The maximum management fees of the target investment funds will be 3.00% p.a. of the NAV.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS, for which Multiconcept Fund Management S.A acts as management company nor is linked to such UCITS management company within the meaning of article 46(3) of the Law of 2010.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits and money market instruments.

### **Investment Process and ESG restrictions**

Information about the environmental or social characteristics promoted by the Sub-Fund (including ESG restrictions) and their integration into the investment process is available in the Annex I.1 of the Prospectus.

### **Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of its funds under management and as such does not currently have access to sufficient ESG information for determining and weighting with adequate accuracy the negative sustainability effects across all its delegated investment managers. Therefore, the Management Company has decided not to consider directly and at its level the adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR.

Information about the disclosures in relation to Art. 7 SFDR (i.e. considerations of principal adverse impacts on sustainability factors at the level of the Sub-Fund) is available in the Annex I.1 of the Prospectus.

### **SFTR regulation applicable to this Sub Fund**

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

Securities lending	20%
Securities borrowing	20%
Repurchase agreements	100%
Buy-sell back transaction	100%
Sell-buy back transaction	100%
TRS	100%

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

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%

Buy-sell back transaction	0%
Sell-buy back transaction	50%
TRS	0%

### Risk Considerations specific to the Sub-Fund

The Sub-Fund is subject to risks linked to market, interest rates, credit spreads or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

Investors should refer to the section headed "Risk Considerations" of the Prospectus for further details in this connection.

### Risk Management applicable to this Sub-Fund

Global Exposure using the Commitment Approach is expressed as an absolute percentage of total net assets. Under Luxembourg Law, Global Exposure related solely to financial derivatives may not exceed 100% of total net assets, and Global Exposure overall (including market risk associated with the Sub-Fund's underlying investments, which by definition make up 100% of total net assets) may not exceed 200% of total net assets (excluding the 10% that a UCITS may borrow on a temporary basis for short-term liquidity)

### Income distribution policy

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

### Reference currency

The reference currency is the Euro

### Class of Shares

Type of Share	ISIN code	Base currency	Fees				
			Management Company Fee*	Investment Management Fee** (excluding Shareholder servicing fee***)	Shareholder Servicing Fee***	Performance Fee	Subscription/ Redemption/ Conversion Fees****
Class P EUR	LU0622616760	EUR	Up to 0,04%	Up to 1,00%	Up to 0.10%	None	Up to 5% / 3% / 1%
Class P CHF*****	LU1196450263	CHF	Up to 0,047%	Up to 1,00%	Up to 0.10%	None	Up to 5% / 3% / 1%
Class PP EUR	LU1095075120	EUR	Up to 0,04%	Up to 1,25%	Up to 0.10%	None	Up to 5% / 3% / 1%
Class PP CHF*****	LU1196450420	CHF	Up to 0,04%	Up to 1,25%	Up to 0.10%	None	Up to 5% / 3% / 1%
Class I EUR	LU0828733419	EUR	Up to 0,04%	Up to 0,75%	Up to 0.10%	None	Up to 5% / 3% / 1%
Class I CHF*****	LU1196450693	CHF	Up to 0,04%	Up to 0,75%	Up to 0.10%	None	Up to 5% / 3% / 1%

(\*) Management Company Fee in favour of the Management Company amounts to up to 0.04% and is calculated monthly on the basis of the average Net Asset Value of all Share Classes, subject to a minimum annual fee, charged at the fund level, up to EUR 20'000 per each active Sub-Fund and paid monthly.

(\*\*) Annual rate payable and calculated quarterly on the average net assets of the Sub-Fund as determined during the relevant quarter. Charged to the Fund for the benefit of the Investment Manager. When a distribution fee is applicable, it will

*be deducted from the Investment Management Fee.*

*(\*\*\*) A Shareholder Servicing Fee at the maximum rate of 0.10% per annum of the Sub Fund's average net assets payable to the Investment Manager for operational support services provided by Investment Manager to financial intermediaries involved in the distribution of this Sub-Funds.*

*(\*\*\*\*) May be charged to the Investor for the benefit of the Investment Manager and the financial intermediaries involved in the distribution of the Fund's Shares.*

*(\*\*\*\*\*) Expressed in USD or CHF and hedged against the EUR.*

### **Frequency of calculation of NAV**

Daily on each Business Day.

### **Subscriptions, Redemptions and Conversions:**

For any subscriptions, redemptions and conversions requests received by the Registrar and Transfer Agent by 12:00 o'clock on a Business Day the net asset value calculated for this Valuation Date will be applicable.

Cut-off: 12 o'clock on each Business Day.

Settlement will be performed three days after the Valuation Date calculated in accordance with the then prevailing net asset value.

### **Investment Manager**

GFG Groupe Financier de Gestion (Monaco) SAM

"Le Patio Palace"

2 etg - bureau n. B2A – lot n. 487

41, Avenue Hector Otto, MC-98000 Monaco

## **2. GFG FUNDS – INCOME OPPORTUNITY**

### **Profile of the typical Investor**

This Sub-Fund is aimed more particularly at investors who:

1. Wish to benefit from the performance of shares on the different target financial markets;
2. Have at least a 5-year investment horizon period
3. Investors are advised to invest only a part of their assets in such a Sub-Fund.

Investors should be aware, however, that the preservation of capital is not guaranteed.

### **Investment objectives and policy**

The objective of this Sub-Fund is to provide its investors with an attractive income and capital appreciation, seeking to capture alpha through a combination of capital structure positioning, relative alpha strategy and opportunistic trading. The Sub-Fund is actively managed without reference to a benchmark.

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. Information about the environmental or social characteristics promoted by the Sub-Fund and disclosures in relation to Art. 6 of the Taxonomy Regulation is available in the Annex I.2 of the Prospectus.

The Sub-Fund will principally invest, directly or indirectly in a diversified portfolio of fixed or variable rate debt and debt-related securities (including corporate bonds – investment grade and below -, sovereign bonds, convertible bonds, CoCo bonds, preferred securities, senior and subordinated debt, hybrid securities, Tier 1 and upper and lower Tier 2 securities, exchange traded notes (“ETN”), ABS and MBS) from 40% to 100%. Moreover, the Sub-fund may invest up to 100% in High Yield bond

The Sub-Fund will also invest up to 60% in equity and equity-related securities (including ordinary shares and common stocks, preferred shares and convertible preference shares warrants rights), GDR, ADR and EDR, and closed ended REITS).

The investment in American Depositary Receipts (ADRs) / Global Depositary Receipts (GDRs) / European Depositary Receipt (EDR) and closed ended Real Estate Investment Trusts (REITS) within the meaning of Article 41. (1), a), b), c) and d) of the Law 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008, has no embedded derivatives.

The above mentioned securities will not be restricted to any country, industry or sector to which the Sub-Fund may have exposure through investments following Prospectus limits.

Regarding the fixed income part of the portfolio, the Sub-Fund may invest in non-investment grade debt securities that, for the direct investment should have a Standard & Poor’s minimum rating of B- or an equivalent rating issued by another rating agency.

The expected average rating of the Sub-Fund is BB+, with the possibility to use a higher or lower rating according to the market conditions and in the best interest of the shareholders.

The rating used will be the highest rating among the available ratings issued by the available principal rating agencies. Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

Investment in not rated bonds up to 10% is allowed.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds in aggregate.

The Sub-Fund may invest indirectly via target funds and/or Financial Derivatives Instruments (“FDI”), in debt securities having rating below B- for both investment and/or hedging purpose.

The Sub-Fund may invest up to 10% of its assets in units of UCITS, including ETF qualifying as UCITS in accordance to Article 41 (1) e) of the Law of 2010 and Règlement Grand Ducal 2008.

The maximum management fees of the target investment funds will be 3.00% p.a. of the NAV. The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which Multiconcept Fund Management S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

An indirect investment through transferable securities (i.e. ETC without embedding derivative) in commodities is allowed up to 10% of the Sub-fund’s assets. The Sub-fund may invest up to 10% on ETN.

The investments in structured instruments, embedding derivatives or not, will always be made in compliance with the applicable regulations.

The Sub-Fund can hold ancillary liquid assets in order to increase portfolio diversification and improve liquidity.

The Sub-Fund will invest directly via ADR / GDR / EDR in equities having as country of risk one of the following: Brazil, Hong-Kong, Taiwan, Qatar, UAE, Indonesia, South Africa, China. The investments in China will be up to 10% of the Sub-fund’s assets and the maximum exposure via ADR / GDR / EDR will be up 15%.

In addition, the Sub-Fund may invest in Large Cap companies listed on the Hong Kong stock exchange.

The investment strategy seeks to achieve a reduction in risk by holding a diversified portfolio of investments.

Within the limits set out in the investment restrictions in the main body of the Prospectus, for hedging and for any other purposes, the Sub-Fund may use financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. The Sub-Fund may take exposure through financial derivative instruments such as:

1. futures
2. options
3. forwards
4. CFDs
5. CDS

on any underlying such as currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, financial indexes.

The investments in structured products with or without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

Up to 20 % of the total Sub-Fund’s assets can be directly and indirectly invested in ABS/ MBS.

The Investment Manager may also invest up to 100% of the Net Asset Value of the Sub-Fund in liquid assets such as money market instruments (including Treasury bills and commercial paper) and short-term debt securities in pursuance of the investment objective of the Sub-Fund and to preserve capital in adverse market conditions.

Up to 100% of the Net Asset Value of the Sub-Fund may be denominated in currencies other than the Base Currency (including but not limited to the US Dollar, Sterling and the Swiss Franc), therefore the Sub-Fund may have a significant exposure to currency risk. The decision partially or completely to hedge against such exposure is at the discretion of the Investment Manager.

### **Investment process and ESG restrictions**

Portfolio construction uses a blend of top-down (portfolio construction which is based on analysis of the different

asset classes, regions and currencies as well as on fundamental analysis of the global macroeconomic environment and of economic indicators) and bottom-up analysis (fundamental analysis of individual credit

securities and bond features, the short and long-term economic prospects of the underlying company, as well as an assessment of its intrinsic value), in order to determine the composition and diversification of the investment portfolio.

The fund has the flexibility to dynamically alter its investment mix to find the best opportunities across asset classes and geography.

Information about the environmental or social characteristics promoted by the Sub-Fund (including ESG restrictions) and their integration into the investment process is available in the Annex I.2 of the Prospectus.

### **Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of its funds under management and as such does not currently have access to sufficient ESG information for determining and weighting with adequate accuracy the negative sustainability effects across all its delegated investment managers. Therefore, the Management Company has decided not to consider directly and at its level the adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR.

Information about the disclosures in relation to Art. 7 SFDR (i.e. considerations of principal adverse impacts on sustainability factors at the level of the Sub-Fund) is available in the Annex I.2 of the Prospectus.

### **SFTR regulation applicable to this Sub Fund**

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

Securities lending	20%
Securities borrowing	50%
Repurchase agreements	100%
Buy-sell back transaction	100%
Sell-buy back transaction	100%
TRS	100%

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

Securities lending	0%
Securities borrowing	30%
Repurchase agreements	30%
Buy-sell back transaction	0%
Sell-buy back	0%
TRS	30%

### **Risk Considerations specific to the Sub-Fund**

The Sub-Fund is subject to risks linked to market, interest rates, credit spreads or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

Investors should refer to the section headed “Risk Considerations” of the Prospectus for further details in this connection.



### Risk Management applicable to this Sub-Fund

Sub-Fund employs an “Absolute VAR Approach” method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;
- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

Furthermore, the leverage of the Sub-Fund shall be calculated using the “Sum of notionals” method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (ESMA) guidelines.

The Maximum expected leverage is set at 200 %.

### Income distribution policy

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

### Reference currency

The reference currency is the EUR

### Class of Shares

Type of Share	ISIN code	Base currency	Fees				
			Management Company Fee*	Investment Management Fee** (excluding Shareholder servicing fee***)	Shareholder Servicing Fee***	Performance Fee	Subscription/ Redemption/ Conversion Fees****
Class I EUR	LU1620753571	EUR	Up to 0,04%	Up to 1,00%	Up to 0.10%	15%	Up to 5% / 3% / 1%
Class I USD*****		USD	Up to 0,04%	Up to 1,00%	Up to 0.10%	15%	Up to 5% / 3% / 1%
Class P EUR	LU1620753811	EUR	Up to 0,04%	Up to 1,50%	Up to 0.10%	15%	Up to 5% / 3% / 1%
Class PP EUR	TBD	EUR	Up to 0,04%	Up to 2,00%	Up to 0.10%	15%	Up to 5% / 3% / 1%

(\*) A Management Company Fee in favour of the Management Company amounts to up to 0.04% and is calculated monthly on the basis of the average Net Asset Value of all Share Classes, subject to a minimum annual fee, charged at the fund level, up to EUR 20'000 per each active Sub-Fund and paid monthly.

(\*\*) Annual rate payable and calculated quarterly on the average net assets of the Sub-Fund as determined during the relevant quarter. Charged to the Sub-Fund for the benefit of the Investment Manager. When a distribution fee is applicable, it will be deducted from the Investment Management Fee.

(\*\*\*) A Shareholder servicing fee at the rate of 0.10% per annum of the Sub-Fund's average net assets is payable to the

*Investment Manager for operational support services provided by Investment Manager to financial intermediaries involved in the distribution of this Sub-Fund.*

*(\*\*\*\*) May be charged to the Investor for the benefit of the Investment Manager and the financial intermediaries involved in the distribution of the Fund's Shares.*

*(\*\*\*\*) Expressed in USD and hedged against the EUR. This share class is dormant.*

### **Frequency of calculation of NAV**

On each Business Day.

### **Subscriptions, Redemptions and Conversions:**

For any subscriptions, redemptions and conversions requests received by the Registrar and Transfer Agent by 12:00 o'clock on a Business Day the net asset value calculated for this Valuation Date will be applicable.

Cut-off: 12 o'clock on each Business Day.

Settlement must be performed three days after the Valuation Date calculated in accordance with the then-prevailing net asset value.

### **Investment Manager**

GFG Groupe Financier de Gestion (Monaco) SAM

'Le Patio Palace'

2 etg – bureau n. B2A – lot n. 487

41, Avenue Hector Otto, MC-98000, Monaco

### **Performance Fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Date, paid yearly, based on the net asset value (NAV), equivalent to 15 % of the performance of the NAV per share (measured against the reference NAV) during the current period with the high water mark calculation. The high water mark calculation has been applicable since the start of the Sub-Fund and the performance fee payable on quarterly basis. As of the date of this Prospectus, the performance fee of the Sub-Fund (including the performance fee already accrued for the year 2021) is payable yearly.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities and management fees (but excluding the performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the reference NAV for the calculation period in question.

The Calculation Period corresponds to each calendar year.

The reference NAV is defined as the highest of the NAVs per share corresponding to the end of the last five Calculation Periods. As the Sub-Fund was launched less than 5 years before, the reference NAV is defined as the highest among the NAV per share at launch in 2017 and the NAVs per share corresponding to the end of the Calculation Periods that occurred since launch.

The reference NAV will be decreased by the dividends paid to shareholders, if any.

Provision will be made for this performance fee on each Valuation Date.

We indicate as Valuation Date each date for which the NAV per share is calculated.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date.

Gains that have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the reference NAV until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is based on the product of the number of subscribed shares by the positive difference between the subscription price and the reference NAV applicable to the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } [(B / E - 1)] \leq 0 \\
 F &= [(B / E - 1)] * E * C * A && \text{If } [(B / E - 1) - ] > 0 \\
 \text{Number of Shares outstanding} &= A \\
 \text{NAV per share before applying the Performance Fee} &= B \\
 \text{Performance fee rate (15\%)} &= C \\
 \text{Reference NAV} &= E \\
 \text{Performance fees} &= F
 \end{aligned}$$

Examples:

	NAV per share before Perf Fee	Reference NAV	NAV per share performance over the Reference NAV	Perf Fee per Share	Max Perf Fee (NAV – Reference NAV)	NAV after Perf Fee
Year 1:	104,00	100,00	+4,00%	0,60	4,00	103,40
Year 2:	101,00	103,40	-2,32%	0,00	0,00	101,00
Year 3:	102,00	103,40	-1,35%	0,00	0,00	102,00
Year 4:	103,00	103,40	-0,39%	0,00	0,00	103,00
Year 5:	102,00	103,40	-1,35%	0,00	0,00	102,00
Year 6:	102,50	103,40	-0,87%	0,00	0,00	102,50
Year 7:	104,00	103,00	+0,97%	0,15	1,00	103,85

With a performance fee rate equal to 15%.

Year 1:

The NAV per share performance (+4,00%) with respect to the Reference NAV is positive  
The excess of performance is +4,00% and generates a performance fee per share equal to 0,60

Year 2:

The NAV per share performance (-2,32%) with respect to the Reference NAV is negative  
No performance fee is calculated

Year 3:

The NAV per share performance (-1,35%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 4:

The NAV per share performance (-0,39%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 5:

The NAV per share performance (-1,35%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 6:

The Reference NAV is updated as the Max of the last five end of Reference Periods (years) NAV, i.e. the Maximum between 103,4, 101, 102, 103, 102 that is 103,4

The NAV per share performance (-0,87%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 7:

The Reference NAV is updated as the Max of the last five end of Reference Periods (years) NAV, i.e. the Maximum between 101, 102, 103, 102, 102,5 that is 103

The NAV per share performance (+0,97%) with respect to the Reference NAV is positive

The excess of performance is +0,97% and generates a performance fee per share equal to 0,15

### **3. GFG FUNDS – GLOBAL ENHANCED CASH**

#### **Profile of the typical Investor**

This Sub-Fund is aimed more particularly at investors who:

1. Wish to have a better remuneration of cash;
2. Have at least a 1-year investment horizon period.

Investors are advised to invest only a part of their assets in such a Sub-Fund.

Investors should be aware, however, that the preservation of capital is not guaranteed.

#### **Investment objectives and policy**

The Sub-Fund aims to capital preservation with the objective of generating excess return with respect to the European Central Bank short term rates.

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. Information about the environmental or social characteristics promoted by the Sub-Fund and disclosures in relation to Art. 6 of the Taxonomy Regulation is available in the Annex I.3 of the Prospectus.

Despite the performance fee being calculated in relation the Reference Index (as defined below), the Sub-Fund is actively managed and may invest in any instruments in order to achieve its investment objective and within the limit of the investment restrictions set out herein.

The Sub-Fund will invest in cash, cash equivalents, and fixed income instruments including but not limited to deposits, fixed and floating interest rate debt securities, issued by government and corporate issuers, without any geographical or sectorial restriction, mainly in EUR and USD.

The expected average duration foreseen is below 12 months.

The fund may also invest in ABS and MBS up to 15% of the portfolio with the aim of providing investors with more attractive yield.

The fund may also invest up to 30% of the portfolio in high yield bond and up to 20% in not rated bonds.

Direct investment in debt securities in the portfolio will have a minimum rating of BB-. The rating used will be the highest rating among the available ratings issued by the available principal rating agencies. Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may invest up to 10% of its assets in units of UCITS, including ETF qualifying as UCITS in accordance to Article 41 (1) e) of the Law of 2010 and Règlement Grand Ducal 2008.

The maximum management fees of the target investment funds will be 3.00% p.a. of the NAV.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS, for which Multiconcept Fund Management S.A acts as management company nor is linked to such UCITS management company within the meaning of article 46(3) of the Law of 2010.

Within the limits set out in the investment restrictions in the main body of the Prospectus, for hedging and for any other purposes, the Sub-Fund may use financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. The Sub-Fund may take exposure through financial derivative instruments such as:

1. futures
2. options
3. forwards

on any underlying such as currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities and financial indexes.

### **Investment process and ESG restrictions**

In order to provide a positive yield, the Sub-Fund invests in deposit, government and corporate bonds, keeping the portfolio duration below 12 months, ruled by credit related dynamics, focusing on maintaining a well-diversified geographic exposure. The selection of the bonds will be driven by assessments on the issuer economic stability.

Information about the environmental or social characteristics promoted by the Sub-Fund (including ESG restrictions) and their integration into the investment process is available in the Annex I.3 of the Prospectus.

### **Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of its funds under management and as such does not currently have access to sufficient ESG information for determining and weighting with adequate accuracy the negative sustainability effects across all its delegated investment managers. Therefore, the Management Company has decided not to consider directly and at its level the adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR.

Information about the disclosures in relation to Art. 7 SFDR (i.e. considerations of principal adverse impacts on sustainability factors at the level of the Sub-Fund) is available in the Annex I.3 of the Prospectus.

### **SFTR regulation applicable to this Sub Fund**

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

Securities lending	50%
Securities borrowing	50%
Repurchase agreements	50%
Buy-sell back transaction	50%
Sell-buy back transaction	50%
TRS	0%

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

Securities lending	10%
Securities borrowing	0%
Repurchase agreements	10%
Buy-sell back transaction	10%
Sell-buy back transaction	10%
TRS	0%

### **Risk Considerations specific to the Sub-Fund**

The Sub-Fund is subject to risks linked to market, interest rates, credit spreads or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

Investors should refer to the section headed “Risk Considerations” of the Prospectus for further details in this connection.

### **Risk Management applicable to this Sub-Fund**

Global Exposure using the Commitment Approach is expressed as an absolute percentage of total net assets. Under Luxembourg Law, Global Exposure related solely to financial derivatives may not exceed 100% of total net assets, and Global Exposure overall (including market risk associated with the Sub-Fund’s underlying investments, which by definition make up 100% of total net assets) may not exceed 200% of total net assets (excluding the 10% that a UCITS may borrow on a temporary basis for short-term liquidity)

### **Income distribution policy**

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

### **Reference currency**

The reference currency is the EUR

### **Class of Shares**

Type of Share	ISIN code	Base currency	Fees				
			Management Company Fee*	Investment Management Fee** (excluding Shareholder servicing fee***)	Shareholder Servicing Fee***	Performance Fee	Subscription/ Redemption/ Conversion Fees****
Class I EUR	LU1981743435	EUR	Up to 0,04%	Up to 0,25%	Up to 0.10%	15%	Up to 5% / 3% / 1%
Class P EUR	LU1981743518	EUR	Up to 0,04%	Up to 0,35%	Up to 0.10%	15%	Up to 5% / 3% / 1%
Class PP EUR	TBD	EUR	Up to 0,04%	Up to 0,45%	Up to 0.10%	15%	Up to 5% / 3% / 1%

*(\*) Management Company Fee in favour of the Management Company amounts to up to 0.04% and is calculated monthly on the basis of the average Net Asset Value of all Share Classes, subject to a minimum annual fee, charged at the fund level, up to EUR 20'000 per each active Sub-Fund and paid monthly.*

*(\*\*) Annual rate payable and calculated quarterly on the average net assets of the Sub-Fund as determined during the relevant quarter. Charged to the Sub-Fund for the benefit of the Investment Manager. When a distribution fee is applicable, it will be deducted from the Investment Management Fee.*

*(\*\*\*) A Shareholder servicing fee at the rate of 0.10% per annum of the Sub-Fund’s average net assets is payable to the Investment Manager for operational support services provided by Investment Manager to financial intermediaries involved in the distribution of this Sub-Fund.*

*(\*\*\*\*) May be charged to the Investor for the benefit of the Investment Manager and of the financial intermediaries involved in the distribution of the Fund’s Shares.*

### **Frequency of calculation of NAV**

On each Business Day.

### **Subscriptions, Redemptions and Conversions:**

For any subscriptions, redemptions and conversions requests received by the Registrar and Transfer Agent by 12:00 o’clock on a Business Day the net asset value calculated for this Valuation Date will be applicable.

Cut-off: 12 o’clock on each Business Day.

Settlement must be performed three days after the Valuation Date calculated in accordance with the then-prevailing net asset value.

### **Investment Manager**

GFG Groupe Financier de Gestion (Monaco) SAM  
"Le Patio Palace"  
2 etg - bureau n. B2A – lot n. 487  
41, Avenue Hector Otto, MC-98000 Monaco

### **Performance Fee**

The Investment Manager will receive a performance fee, calculated and accrued on each Valuation Date and paid at the end of each Calculation Period.

The Performance fee, based on the net asset value (NAV), will be equivalent to 15% of the performance of the NAV per share (measured against the Reference NAV) over the maximum between zero and the performance of the Reference Index from the date corresponding to the Reference NAV.

No Performance Fee will be due if the NAV per share before performance fee turns out to be below the Reference NAV for the Calculation Period in question.

The Performance Fee will become applicable at the launch of the Sub-Fund.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities and management fees (but excluding the performance fee), and is adjusted to take account of all subscriptions and redemptions.

The Calculation Period corresponds to each calendar year.

The Performance Reference Period is the time horizon over which the performance fee may only be charged on the basis of achieving a new High-Water Mark, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset.

The Performance Reference Period is set to 5 years, starting from the launch date of the Sub-Fund. The Performance Reference Period started on the Launch Year of the Sub-Fund.

The lifetime of the Sub-Fund is defined as the amount of time from the launch date of the Sub-Fund.

The Reference NAV is defined as the NAV per share corresponding to the end of the last Calculation Period where a performance fee has been paid, within the current Performance Reference Period, or as the NAV per share corresponding to the last date of the previous Performance Reference Period if no performance fee was paid during the current Performance Reference Period. If the lifetime of the Sub-Fund is lower than the Performance Reference Period length, and no performance fee was paid in the current Performance Reference Period, the Reference NAV is set as the NAV at the launch date of the Sub-Fund.

The Reference Index is "European Central Bank Eonia OIS Index 7 day" (Bloomberg Ticker OISEONIA Index). The administrator, European Money Markets Institute, of the Reference Index is registered with the ESMA in accordance with the EU regulation 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

The Launch Year is 2020.

The Reference NAV will be decreased by the dividends paid to shareholders, if any.



Provision will be made for this performance fee on each Valuation Date.

We indicate as Valuation Date each date for which the NAV per share is calculated.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date.

Gains that have not been realized may be considered in the calculation and payment of performance fees. In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the reference NAV until the subscription date is not considered in the performance fee calculation. This adjustment amount based on the product of the number of subscribed shares by the positive difference between the subscription price and the reference NAV applicable to the date of the subscription adjusted by the performance of the Reference Index at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The formula for the calculation of the performance fee is as follows:

- If  $[(B/D - 1) - \max(E/F - 1, 0)] < 0$ 
  - Perf = 0
  
- If  $[B/D - 1] > 0$  AND  $[(B/D - 1) - \max(E/F - 1, 0)] > 0$ 
  - Perf =  $[(B/D - 1) - \max(E/F - 1, 0)] * D * C * A$

A = Number of Shares outstanding

B = NAV per share before Performance Fee at the end of current Calculation Period

C = Performance Fee Rate (15%)

D = Reference NAV

E = "European Central Bank Eonia OIS Index 7 day" (Bloomberg Ticker OISEONIA Index) value at the end of current Calculation Period

F = "European Central Bank Eonia OIS Index 7 day" (Bloomberg Ticker OISEONIA Index) value at the date corresponding to the Reference NAV

Perf = Performance Fee

## Examples:

	NAV per share before Perf Fee	Reference NAV	NAV per share performance over Reference NAV	Yearly Index <sup>(1)</sup> performance	Index perf from the date corresponding to the last Reference NAV	Perf Fee per Share	Max Perf Fee (NAV – Reference NAV)	NAV after Perf Fee
Year 1:	102,00	100,00	2,00%	-0,40%	-0,40%	0,30	2,00	101,70
Year 2:	101,00	101,70	-0,69%	-0,10%	-0,10%	0,00	0,00	101,00
Year 3:	102,00	101,70	0,29%	0,50%	0,40%	0,00	0,30	102,00
Year 4:	103,70	101,70	1,97%	-0,40%	0,00%	0,30	2,00	103,40
Year 5:	102,00	103,40	-1,35%	-0,30%	-0,30%	0,00	0,00	102,00
Year 6:	103,30	102,00	1,27%	+0,10%	+0,10%	0,18	1,30	103,12

(1) “European Central Bank Eonia OIS Index 7 day” (Bloomberg Ticker OI5EONIA Index)

With a performance fee rate equal to 15%.

Year 1:

The NAV per share performance (+2,00%) with respect to the Reference NAV is positive and higher than the Index performance from the date corresponding to the last Reference NAV (-0,40%). The maximum between 0 and the Index Performance (-0,40%) is 0

The excess of performance is +2,00% and generates a performance fee per share equal to 0,30

Year 2:

The NAV per share performance (-0,69%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 3:

The NAV per share performance (+0,29%) with respect to the Reference NAV is positive but lower than the Index performance from the date corresponding to the last Reference NAV (+0,40%)

No performance fee is calculated

Year 4:

The NAV per share performance (+1,97%) with respect to the Reference NAV is positive and higher than the Index performance from the date corresponding to the last Reference NAV (0,00%). The maximum between 0 and the Index Performance (0,00%) is 0

The excess of performance is +1,97% and generates performance fee per share equal to 0,30

Year 5:

The NAV per share performance (-1,35%) with respect to the Reference NAV is negative

No performance fee is calculated

Year 6:

A new Performance Reference Period starts, and the Reference NAV is updated as of the last NAV per share of the previous Performance Reference Period, 102,00

The NAV per share performance (+1,27%) with respect to the Reference NAV is positive and higher than the Index performance from the date corresponding to the last Reference NAV (+0,10%). The maximum between 0 and the Index Performance (+0,10%) is +0,10%

The excess of performance is +1,17% and generates performance fee per share equal to 0,18

## ANNEX I - SUSTAINABILITY DISCLOSURES

### 1. GFG FUNDS - EURO GLOBAL BOND

*Template pre-contractual disclosure for Euro Global Bond referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*

**Product name:** Euro Global Bond (the “Sub-Fund”)

**Legal entity identifier:**  
529900DAOBBDCY8NV798

## Environmental and/or social characteristics

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

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

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

**Yes**
  **No**

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

The Sub-Fund integrates environmental and social characteristics into the investment decision process by adhering to a dedicated ESG policy, including value-, norm- and business conduct exclusion. In this respect, the investments of

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

the Sub-Fund are restricted to issuers evidencing a sound ESG rating and which follow good governance practices.

Specifically, the ESG metrics deployed by the ESG data providers include animal mistreatment, climate change, GHG emissions, global pollution, impacts on landscapes, ecosystems and biodiversity, local pollution, overuse and wasting of resources, waste issues.

The fund does not have designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

Further information is available on the website of the Investment Manager ([www.gfggroupe.com](http://www.gfggroupe.com)), of the Fund ([www.gfgfunds.it](http://www.gfgfunds.it)) and of the Management Company ([www.credit-suisse.com/microsites/multiconcept/en/our-funds.html](http://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html)), as well as in the Fund's annual report.

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

The sustainability indicators we rely on is the ESG scores of each of the security we invest in and the exclusions screening from controversial activities and jurisdictions. ESG scores are defined partially from proprietary models, and partially relying on industry leading data.

ESG Scores will range from 0 (no ESG Risk) to 100 (Extremely Severe ESG Risk).

ESG Scores definition depends on the asset class on the instrument object of evaluation:

- Government Bonds

The Government Bonds ESG Score is computed as an equally weighted average of the three following different scores:

- E Score: Environmental Performance Index (EPI) published by Yale University;
- • S Score: Social Progress Index (SPI) published by the non-profit association US Social Progress Imperative;
- • G Score: Worldwide Governance Indicators (WGI) published by the World Bank.

For all indicators we take into account the latest data available.

- Corporate Bonds and Listed Equities

The Corporate Bonds and Listed Equities ESG Score corresponds to the highest value reached in the last two years by the global risk indicator published by the ESG data provider relative to the respective Issuer's Global Ultimate Owner (GUO).

Furthermore, we consider Single dimension scores (Environment Score, Social Score and Governance Score), that is, ESG risk measures calculated

multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of each factor.

- Indexes

The ESG Score for Indices is computed using the following formula:

$$\text{Equity Index ESG score} = \\ 95\% \text{ Equity Index Country Score} \\ + 15\% \text{ Equity Index Sector Score}$$

Where:

- “Equity Index Country Score” is the exposure weighted average of all global risk indicators published by the ESG data provider associated to the countries where the Index holdings are domiciled;
- “Equity Index Sector Score” is the exposure weighted average of all global risk indicator published by the ESG data provider associated to the sector where the Index holdings belong.

- Derivatives

The ESG Score for derivatives corresponds to ESG Score of the underlying asset.

- Issuers not covered by the research

If a company is not covered by the ESG data providers, we apply as a proxy the correspondent Country-Sector ESG Score provided by the ESG data provider. The Country-Sector ESG Score is an average of the ESG Score associated to the country the company is based in and the sector the company belongs to.

- ***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.

**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.

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

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



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

The following investment strategy applies and is implemented on a continuous throughout the life of the Sub-Fund (or until such time as it is changed and notified to investors in accordance with applicable regulations). The Management Company of the Sub-Fund ensures a continuous application of the investment strategy by the Investment Manager through its internal risk monitoring and oversight process.

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

The Sub-Fund is mainly invested in a diversified portfolio of bonds and any other debt securities (including money market instruments), denominated in euro. Direct investment in debt securities in the portfolio will have a minimum rating of BB-. The Sub-Fund is allowed to invest up to 5% in not rated bonds and up to 10% in High Yield securities. The rating used will be the highest rating among the available ratings issued by the available principal rating agencies. Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund. Direct

investments in distressed or defaulted securities are not allowed under this Sub-Fund.

For further details on the investment strategy, please refer to (i) the Sub-Fund section in the prospectus; and (ii) the description below of the investment process and ESG exclusions which are part of the binding elements to attain the environmental and social characteristics promoted by the Sub-Fund.

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

The Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's ESG policy. In this respect, the exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions. This exclusion is made using, among others the following screening:
  - jurisdictions mentioned in United Nations Security Council Sanctions
  - Jurisdictions mentioned in Financial Action Task Force list of "High-Risk Jurisdictions subject to a Call for Action"
  - all instruments issued by a company within the proprietary model's exclusion list;
  - all instruments whose ultimate parent companies is within the proprietary model's exclusion list; and
  - all securities having as Industry Sector Gambling or Tobacco
  
2. All entities displaying weak ESG ratings: we screen out of the Prospectus-compliant investment universe:
  - all the companies displaying weak ESG Scores, i.e. having an ESG Score above 65, indicating an extremely high ESG risk exposure;
  - all Government Bonds having an ESG Score above 60.

All Corporate Bonds, Stocks, Government Bonds and Listed Derivatives (with the only exception of derivatives on currencies and on volatility) are assigned an ESG score. A specific methodology has been defined to assign a proxy score also to companies eventually not covered by the ESG data providers. As they are not part of the core investment strategy, derivatives which are not Listed Derivatives (with the exception above-mentioned) do not undergo such exclusion criteria and are instead assessed on a case-by-case basis.

On top of those exclusions, the Investment Manager applies ESG scores to analyse issuers and to monitor investments. Based on the ESG score computed or collected, the investment team of the Investment Manager may marginally increase or decrease the scores depending on the following factors:

- In depth analysis of the underlying research performed by the Investment Manager's main sources of information on ESG research;
- Recent trend of the scores under consideration;
- Perspective of future addressment of ESG issues by the issuer;
- Other third-party research.

The Investment Manager continuously monitors the ESG valuation assigned to the assets of the Sub-Fund and the ESG scores used for such valuation are updated on a weekly basis. The Investment Manager maintains an ESG hot-list containing all the eligible companies that have been involved in critical ESG situation based on a proprietary model's research output, which the investment team integrates in the investment process. Whenever the ESG monitoring flags an issuer as having violated one of the pre-set ESG limits set in the exclusion policy or the ESG score-based screening, the Investment Manager has up to 6 months to divest in the best financial interest of the Investors.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, the Sub-Fund does not have a commitment to reduce the scope of investments by a minimum rate.



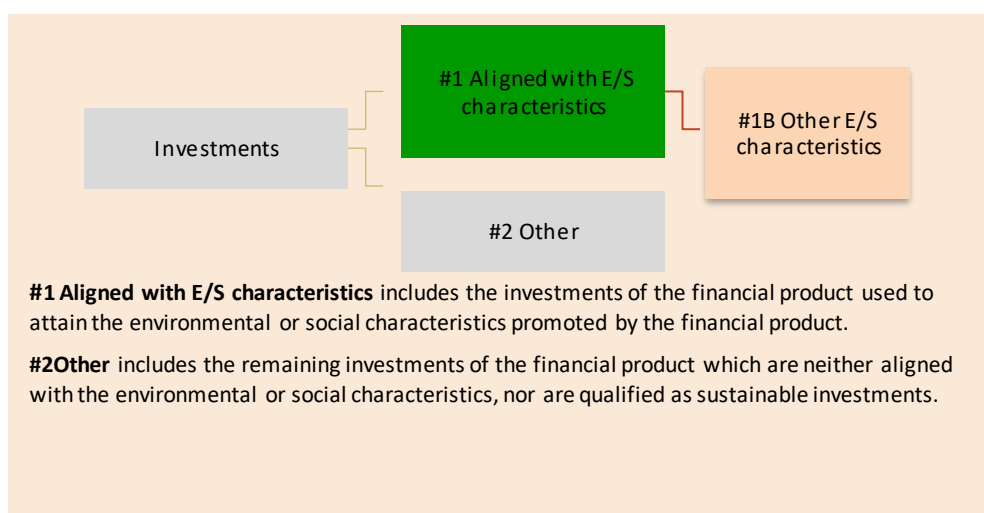
- **What is the policy to assess good governance practices of the investee companies?**

The policy to assess good governance practices of the investee companies consists of monitoring the specific scores of governance factor, excluding poor scores and considering business-conduct exclusions.

In detail, the Corporate Bonds and Listed Equities Governance Score is the value calculated multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of the Governance factor associated to the given company.

The Governance scores takes into account, among others, the following issues: corruption, bribery, extortion, money laundering, fraud, anti-competitive practices, misleading communication, violation of international standards and violation of national legislation.

### 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.

The planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 98% of its total assets.

The Sub-Fund may invest up to 2% of its total assets in other investments (#2 Other).

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

Derivatives are not used to attain the environmental or social characteristics of the Sub-Fund. They may be used as efficient portfolio management tools, for cash management and for hedging purposes.

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



**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

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



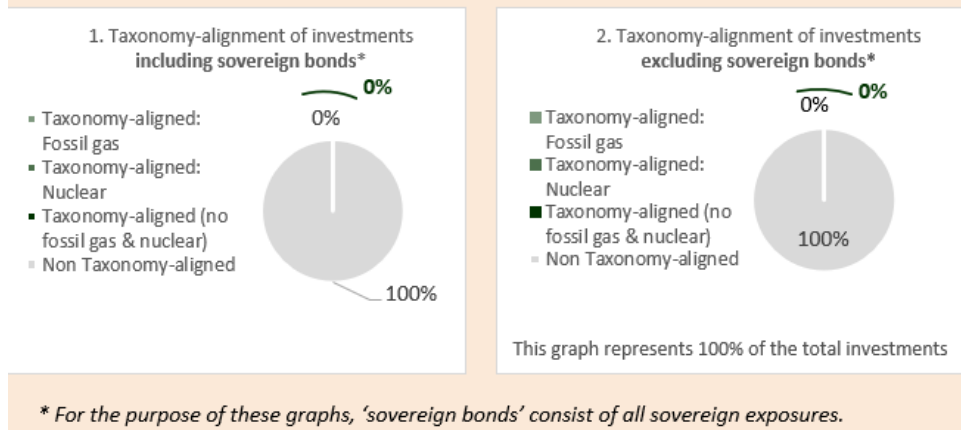
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to make sustainable investments aligned with the EU Taxonomy (0%).

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

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

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



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

The Sub-Fund does not define a minimum share of investments in transitional and enabling economic activities (0%).



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

The Sub-Fund does not commit to make sustainable investments.



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

The Sub-Fund does not define a minimum share for sustainable investments with a social objective.



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

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



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

We include in this category “#2 Other” only the cash, the foreign exchange (FX) derivatives and the derivatives on volatility.

Within the limits set out in the investment restrictions in the main body of the Prospectus, derivatives are used as efficient portfolio management tools, for cash management and for hedging purposes.

Such investments do not have minimum environmental or social safeguards.

Investments may furthermore fall under “#2 Other” if insufficient ESG-related information is available. This applies in particular to asset classes for which ESG factors are insufficiently defined at present or not sufficient ESG related information is available.



## 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?

The Sub-Fund does not use a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

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

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

<https://gfggroupe.com/sustainability/>

## 2. GFG FUNDS – INCOME OPPORTUNITY

### Art. 8

*Template pre-contractual disclosure for Income Opportunity referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*

**Product name:** Income Opportunity  
(the “Sub-Fund”)

**Legal entity identifier:**  
529900MI16EB9MJ6SX85

## Environmental and/or social characteristics

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

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

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

**Yes**

**No**

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

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

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

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

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

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

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

with a social objective

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



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

The Sub-Fund integrates environmental and social characteristics into the investment decision process by adhering to a dedicated ESG policy, including value-, norm- and business conduct exclusion. In this respect, the investments of

the Sub-Fund are restricted to issuers evidencing a sound ESG rating and which follow good governance practices.

Specifically, the ESG metrics deployed by the ESG data providers include animal mistreatment, climate change, GHG emissions, global pollution, impacts on landscapes, ecosystems and biodiversity, local pollution, overuse and wasting of resources, waste issues.

The fund does not have designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

Further information is available on the website of the Investment Manager ([www.gfggroupe.com](http://www.gfggroupe.com)), of the Fund ([www.gfgfunds.it](http://www.gfgfunds.it)) and of the Management Company ([www.credit-suisse.com/microsites/multiconcept/en/our-funds.html](http://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html)), as well as in the Fund's annual report.

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

The sustainability indicators we rely on is the ESG scores of each of the security we invest in and the exclusions screening from controversial activities and jurisdictions. ESG scores are defined partially from proprietary models, and partially relying on industry leading data.

ESG Scores will range from 0 (no ESG Risk) to 100 (Extremely Severe ESG Risk).

ESG Scores definition depends on the asset class on the instrument object of evaluation:

- Government Bonds

The Government Bonds ESG Score is computed as an equally weighted average of the three following different scores:

- E Score: Environmental Performance Index (EPI) published by Yale University;
- • S Score: Social Progress Index (SPI) published by the non-profit association US Social Progress Imperative;
- • G Score: Worldwide Governance Indicators (WGI) published by the World Bank.

For all indicators we take into account the latest data available.

- Corporate Bonds and Listed Equities

The Corporate Bonds and Listed Equities ESG Score corresponds to the highest value reached in the last two years by the global risk indicator published by the ESG data provider relative to the respective Issuer's Global Ultimate Owner (GUO).

Furthermore, we consider Single dimension scores (Environment Score, Social Score and Governance Score), that is, ESG risk measures calculated multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of each factor.

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

- Indexes  
The ESG Score for Indices is computed using the following formula:  
*Equity Index ESG score =*  
*95% Equity Index Country Score*  
*+15% Equity Index Sector Score*  
Where:
  - “Equity Index Country Score” is the exposure weighted average of all global risk indicators published by the ESG data provider associated to the countries where the Index holdings are domiciled;
  - “Equity Index Sector Score” is the exposure weighted average of all global risk indicator published by the ESG data provider associated to the sector where the Index holdings belong.
  
- Derivatives  
The ESG Score for derivatives corresponds to ESG Score of the underlying asset.
  
- Issuers not covered by the research  
If a company is not covered by the ESG data providers, we apply as a proxy the correspondent Country-Sector ESG Score provided by the ESG data provider. The Country-Sector ESG Score is an average of the ESG Score associated to the country the company is based in and the sector the company belongs to.

- ***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.

**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.

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

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



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

The following investment strategy applies and is implemented on a continuous basis throughout the life of the Sub-Fund (or until such time as it is changed and notified to investors in accordance with applicable regulations). The Management Company of the Sub-Fund ensures a continuous application of the investment strategy by the Investment Manager through its internal risk monitoring and oversight process.

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

The Sub-Fund will principally invest, directly or indirectly in a diversified portfolio of fixed or variable rate debt and debt-related securities (including corporate bonds – investment grade and below -, sovereign bonds, convertible bonds, CoCo bonds, preferred securities, senior and subordinated debt, hybrid securities, Tier 1 and upper and lower Tier 2 securities, exchange traded notes (“ETN”), ABS and MBS) from 40% to 100%. Moreover, the Sub-fund may invest up to 100% in High Yield bond

The Sub-Fund will also invest up to 60% in equity and equity-related securities (including ordinary shares and common stocks, preferred shares and convertible preference shares warrants rights), GDR, ADR and EDR, and closed ended REITS).

The above mentioned securities will not be restricted to any country, industry or sector to which the Sub-Fund may have exposure through investments following Prospectus limits.

For further details on the investment strategy, please refer to (i) the Sub-Fund section in the prospectus; and (ii) the description below of the investment process and ESG exclusions which are part of the binding elements to attain the environmental and social characteristics promoted by the Sub-Fund.

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

The Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s ESG policy. In this respect, the exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions. This exclusion is made using, among others the following screening:
  - jurisdictions mentioned in United Nations Security Council Sanctions
  - Jurisdictions mentioned in Financial Action Task Force list of “High-Risk Jurisdictions subject to a Call for Action”
  - all instruments issued by a company within the proprietary model’s exclusion list;
  - all instruments whose ultimate parent companies is within the proprietary model’s exclusion list; and
  - all securities having as Industry Sector Gambling or Tobacco
2. All entities displaying weak ESG ratings: we screen out of the Prospectus-compliant investment universe:
  - all the companies displaying weak ESG Scores, i.e. having an ESG Score above 65, indicating an extremely high ESG risk exposure;
  - all Government Bonds having an ESG Score above 60



All Corporate Bonds, Stocks, Government Bonds and Listed Derivatives (with the only exception of derivatives on currencies and on volatility) are assigned an ESG score. A specific methodology has been defined to assign a proxy score also to companies eventually not covered by the ESG data providers. As they are not part of the core investment strategy, derivatives which are not Listed Derivatives (with the exception above-mentioned) do not undergo such exclusion criteria and are instead assessed on a case-by-case basis.

On top of those exclusions, the Investment Manager applies ESG scores to analyse issuers and to monitor investments. Based on the ESG score computed or collected, the investment team of the Investment Manager may marginally increase or decrease the scores depending on the following factors:

- In depth analysis of the underlying research performed by the Investment Manager's main sources of information on ESG research;
- Recent trend of the scores under consideration;
- Perspective of future addressment of ESG issues by the issuer;
- Other third-party research.

The Investment Manager continuously monitors the ESG valuation assigned to the assets of the Sub-Fund and the ESG scores used for such valuation are updated on a weekly basis. The Investment Manager maintains an ESG hot-list containing all the eligible companies that have been involved in critical ESG situation based on a proprietary model's research output, which the investment team integrates in the investment process. Whenever the ESG monitoring flags an issuer as having violated one of the pre-set ESG limits set in the exclusion policy or the ESG score-based screening, the Investment Manager has up to 6 months to divest in the best financial interest of the Investors.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, the Sub-Fund does not have a commitment to reduce the scope of investments by a minimum rate.

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

The policy to assess good governance practices of the investee companies consists of monitoring the specific scores of governance factor, excluding poor scores and considering business-conduct exclusions.

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

In detail, the Corporate Bonds and Listed Equities Governance Score is the value calculated multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of the Governance factor associated to the given company.

The Governance scores takes into account, among others, the following issues: corruption, bribery, extortion, money laundering, fraud, anti-competitive practices, misleading communication, violation of international standards and violation of national legislation.



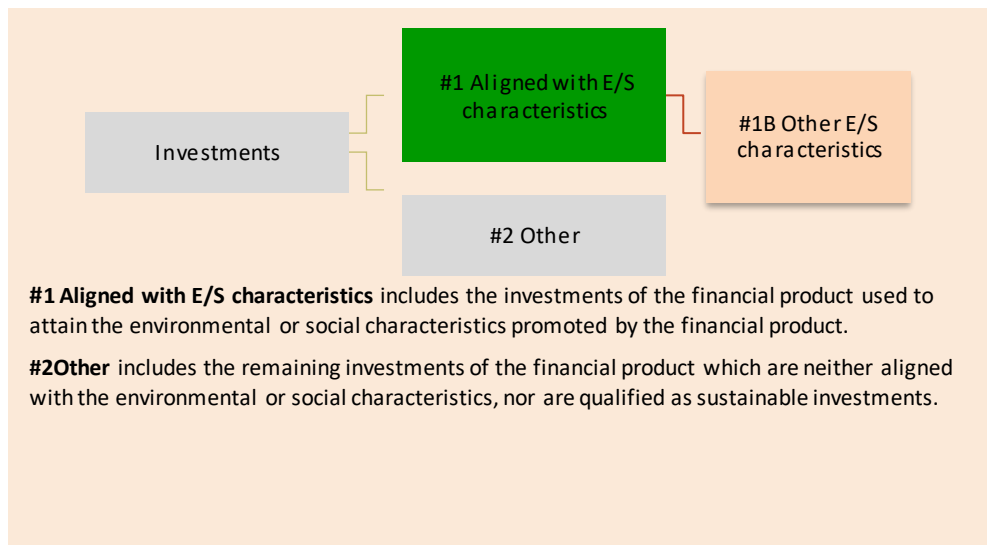
#### Asset allocation

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.

The planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 98% of its total assets.

The Sub-Fund may invest up to 2% of its total assets in other investments (#2 Other).

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

Derivatives are not used to attain the environmental or social characteristics of the Sub-Fund. They may be used as efficient portfolio management tools, for cash management and for hedging purposes.




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

The Sub-Fund does not commit to make sustainable investments aligned with the EU Taxonomy (0%).

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

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

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

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

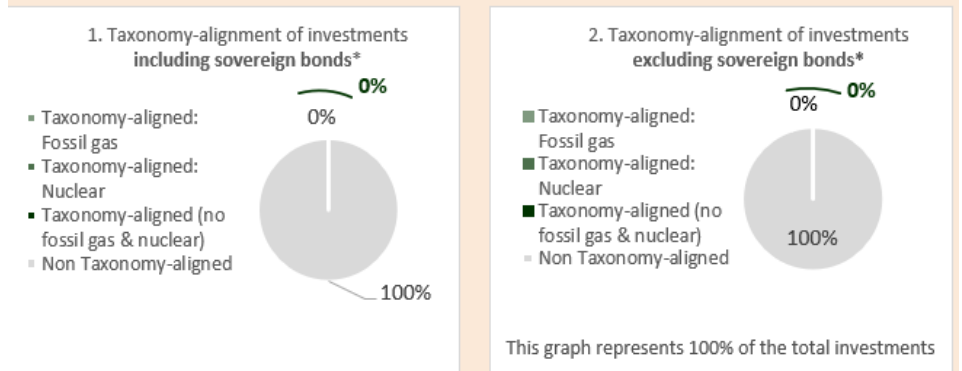
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

Yes:

In fossil gas     In nuclear energy

No


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



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

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

The Sub-Fund does not define a minimum share of investments in transitional and enabling economic activities (0%).

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

The Sub-Fund does not commit to make sustainable investments.

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

The Sub-Fund does not define a minimum share for sustainable investments with a social objective.

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

We include in this category "#2 Other" only the cash, the foreign exchange (FX) derivatives and the derivatives on volatility.

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

Within the limits set out in the investment restrictions in the main body of the Prospectus, derivatives are used as efficient portfolio management tools, for cash management and for hedging purposes.

Such investments do not have minimum environmental or social safeguards.

Investments may furthermore fall under "#2 Other" if insufficient ESG-related information is available. This applies in particular to asset classes for which ESG factors are insufficiently defined at present or not sufficient ESG related information is available.



**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?**

The Sub-Fund does not use a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

- ***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

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



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

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

<https://gfggroupe.com/sustainability/>

### 3. GFG FUNDS – GLOBAL ENHANCED CASH

*Template pre-contractual disclosure for Global Enhanced Cash referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*

**Product name:** Global Enhanced Cash  
(the “Sub-Fund”)

**Legal entity identifier:**  
529900BQ5Y6853N43J70

## Environmental and/or social characteristics

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

**Yes**

**No**

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

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

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

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

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

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

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

with a social objective

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

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

The Sub-Fund integrates environmental and social characteristics into the investment decision process by adhering to a dedicated ESG policy, including value, norm- and business conduct exclusion. In this respect, the investments of

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

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



the Sub-Fund are restricted to issuers evidencing a sound ESG rating and which follow good governance practices.

Specifically, the ESG metrics deployed by the ESG data providers include animal mistreatment, climate change, GHG emissions, global pollution, impacts on landscapes, ecosystems and biodiversity, local pollution, overuse and wasting of resources, waste issues.

The fund does not have designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

Further information is available on the website of the Investment Manager ([www.gfggroupe.com](http://www.gfggroupe.com)), of the Fund ([www.gfgfunds.it](http://www.gfgfunds.it)) and of the Management Company ([www.credit-suisse.com/microsites/multiconcept/en/our-funds.html](http://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html)), as well as in the Fund's annual report.

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

The sustainability indicators we rely on is the ESG scores of each of the security we invest in and the exclusions screening from controversial activities and jurisdictions. ESG scores are defined partially from proprietary models, and partially relying on industry leading data.

ESG Scores will range from 0 (no ESG Risk) to 100 (Extremely Severe ESG Risk).

ESG Scores definition depends on the asset class on the instrument object of evaluation:

- Government Bonds

The Government Bonds ESG Score is computed as an equally weighted average of the three following different scores:

- E Score: Environmental Performance Index (EPI) published by Yale University;
- • S Score: Social Progress Index (SPI) published by the non-profit association US Social Progress Imperative;
- • G Score: Worldwide Governance Indicators (WGI) published by the World Bank.

For all indicators we take into account the latest data available.

- Corporate Bonds and Listed Equities

The Corporate Bonds and Listed Equities ESG Score corresponds to the highest value reached in the last two years by the global risk indicator published by the ESG data provider relative to the respective Issuer's Global Ultimate Owner (GUO).

Furthermore, we consider Single dimension scores (Environment Score, Social Score and Governance Score), that is, ESG risk measures calculated multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of each factor.

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

- Indexes

The ESG Score for Indices is computed using the following formula: *Equity Index ESG score = 95% Equity Index Country Score + 15% Equity Index Sector Score*

Where:

- “Equity Index Country Score” is the exposure weighted average of all global risk indicators published by the ESG data provider associated to the countries where the Index holdings are domiciled;
- “Equity Index Sector Score” is the exposure weighted average of all global risk indicator published by the ESG data provider associated to the sector where the Index holdings belong.

- Derivatives

The ESG Score for derivatives corresponds to ESG Score of the underlying asset.

- Issuers not covered by the research

If a company is not covered by the ESG data providers, we apply as a proxy the correspondent Country-Sector ESG Score provided by the ESG data provider. The Country-Sector ESG Score is an average of the ESG Score associated to the country the company is based in and the sector the company belongs to.

- ***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.

**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.



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

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



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

The following investment strategy applies and is implemented on a continuous basis throughout the life of the Sub-Fund (or until such time as it is changed and notified to investors in accordance with applicable regulations). The Management Company of the Sub-Fund ensures a continuous application of the investment strategy by the Investment Manager through its internal risk monitoring and oversight process.

The Sub-Fund aims to capital preservation with the objective of generating excess return with respect to the European Central Bank short term rates.

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



The Sub-Fund will invest in cash, cash equivalents, and fixed income instruments including but not limited to deposits, fixed and floating interest rate debt securities, issued by government and corporate issuers, without any geographical or sectorial restriction, mainly in EUR and USD.

The expected average duration foreseen is below 12 months.

The fund may also invest in ABS and MBS up to 15% of the portfolio with the aim of providing investors with more attractive yield.

The fund may also invest up to 30% of the portfolio in high yield bond and up to 20% in not rated bonds.

Direct investment in debt securities in the portfolio will have a minimum rating of BB-.

For further details on the investment strategy, please refer to (i) the Sub-Fund section in the prospectus; and (ii) the description below of the investment process and ESG exclusions which are part of the binding elements to attain the environmental and social characteristics promoted by the Sub-Fund.

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

The Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's ESG policy. In this respect, the exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions. This exclusion is made using, among others the following screening:

- jurisdictions mentioned in United Nations Security Council Sanctions
- Jurisdictions mentioned in Financial Action Task Force list of "High-Risk Jurisdictions subject to a Call for Action"
- all instruments issued by a company within the proprietary model's exclusion list;
- all instruments whose ultimate parent companies is within the proprietary model's exclusion list; and
- all securities having as Industry Sector Gambling or Tobacco

2. All entities displaying weak ESG ratings: we screen out of the Prospectus-compliant investment universe:

- all the companies displaying weak ESG Scores, i.e. having an ESG Score above 65, indicating an extremely high ESG risk exposure;
- all Government Bonds having an ESG Score above 60.

All Corporate Bonds, Stocks, Government Bonds and Listed Derivatives (with the only exception of derivatives on currencies and on volatility) are

assigned an ESG score. A specific methodology has been defined to assign a proxy score also to

companies eventually not covered by the ESG data providers. As they are not part of the core investment strategy, derivatives which are not Listed Derivatives (with the exception above-mentioned) do not undergo such exclusion criteria and are instead assessed on a case-by-case basis.

On top of those exclusions, the Investment Manager applies ESG scores to analyse issuers and to monitor investments. Based on the ESG score computed or collected, the investment team of the Investment Manager may marginally increase or decrease the scores depending on the following factors:

- In depth analysis of the underlying research performed by the Investment Manager's main sources of information on ESG research;
- Recent trend of the scores under consideration;
- Perspective of future addressment of ESG issues by the issuer;
- Other third-party research.

The Investment Manager continuously monitors the ESG valuation assigned to the assets of the Sub-Fund and the ESG scores used for such valuation are updated on a weekly basis. The Investment Manager maintains an ESG hot-list containing all the eligible companies that have been involved in critical ESG situation based on a proprietary model's research output, which the investment team integrates in the investment process. Whenever the ESG monitoring flags an issuer as having violated one of the pre-set ESG limits set in the exclusion policy or the ESG score-based screening, the Investment Manager has up to 6 months to divest in the best financial interest of the Investors.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, the Sub-Fund does not have a commitment to reduce the scope of investments by a minimum rate.

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

The policy to assess good governance practices of the investee companies consists of monitoring the specific scores of governance factor, excluding poor scores and considering business-conduct exclusions.

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

In detail, the Corporate Bonds and Listed Equities Governance Score is the value calculated multiplying the current global risk indicator published by the ESG data provider with the contribution (expressed as a %) of the Governance factor associated to the given company.

The Governance scores takes into account, among others, the following issues: corruption, bribery, extortion, money laundering, fraud, anti-competitive practices, misleading communication, violation of international standards and violation of national legislation.

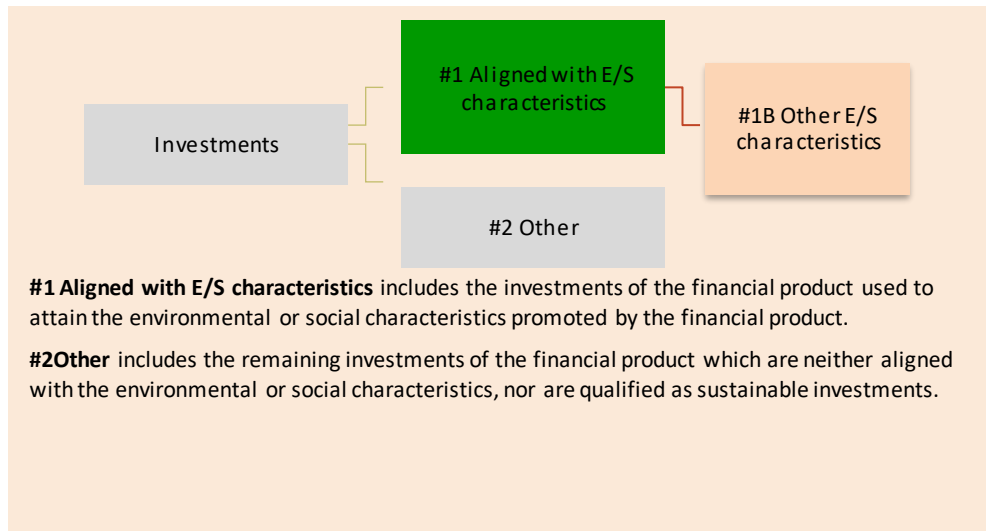


**Asset allocation** describes the share of investments in specific assets.

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.

The planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 98% of its total assets.

The Sub-Fund may invest up to 2% of its total assets in other investments (#2 Other).

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

Derivatives are not used to attain the environmental or social characteristics of the Sub-Fund. They may be used as efficient portfolio management tools, for cash management and for hedging purposes.




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

The Sub-Fund does not commit to make sustainable investments aligned with the EU Taxonomy (0%).

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

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

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

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

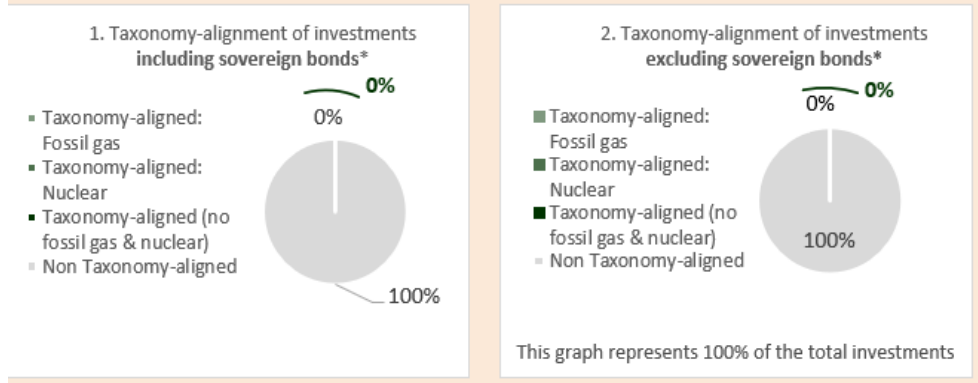
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?**

Yes:

In fossil gas     In nuclear energy

No


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



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

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

The Sub-Fund does not define a minimum share of investments in transitional and enabling economic activities (0%).

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

The Sub-Fund does not commit to make sustainable investments.

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

The Sub-Fund does not define a minimum share for sustainable investments with a social objective.

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

We include in this category "#2 Other" only the cash, the foreign exchange (FX) derivatives and the derivatives on volatility. Within the limits set out in the investment restrictions in the main body of the Prospectus, derivatives are used as efficient portfolio management tools, for cash management and for hedging purposes.

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Such investments do not have minimum environmental or social safeguards. Investments may furthermore fall under "#2 Other" if insufficient ESG-related information is available. This applies in particular to asset classes for which ESG factors are insufficiently defined at present or not sufficient ESG related information is available.



**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?**

The Sub-Fund does not use a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

- ***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

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



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

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

<https://gfggroupe.com/sustainability/>