

## **PROSPECTUS**

(which includes Sub-Funds annexes and Management Regulations)

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### **Wealth Fund**

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Sub-Funds :

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**Wealth Fund – H2Progressive**  
**Wealth Fund – H2Conservative**  
**Wealth Fund – H2Time4Life**  
**Wealth Fund – World Class Brands**

Management Company:

**LEMANIK ASSET MANAGEMENT S.A.**

Depository:

**QUINTET PRIVATE BANK (EUROPE) S.A.**

**JUNE 2023**

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**Management, sales and consulting**

**Management Company**

**LEMANIK ASSET MANAGEMENT S.A.**

106, route d'Arlon, L-8210 Mamer  
Grand Duchy of Luxembourg

E-mail: [info@lemanik.lu](mailto:info@lemanik.lu)

Internet: <http://www.lemanikgroup.com>

**Board of Directors of the Management Company**

Chairman of the Board of Directors  
Gianluigi SAGRAMOSO

Members of the Board of Directors  
Carlo SAGRAMOSO  
Philippe MELONI

**Conducting Officers of the Management Company**

Philippe MELONI  
Jean Philippe CLAESSENS  
Armelle MOULIN  
Alexandre DUMONT  
Gilles ROLAND

**Auditor of the Management Company**

**Ernst & Young S.A.**

35E, Avenue John F. Kennedy, L-1855 Luxembourg

**Depository**

**QUINTET PRIVATE BANK (EUROPE) S.A.**  
43, Boulevard Royal  
L-2449 Luxembourg

**Registrar and Transfer Agent  
Administrative Agent**

**KREDIETRUST LUXEMBOURG S.A.**  
88, Grand-Rue  
L-1660 Luxembourg

**Paying Agent**

Grand Duchy of Luxembourg

**QUINTET PRIVATE BANK (EUROPE) S.A.**  
43, Boulevard Royal  
L-2449 Luxembourg

**Auditor of the Fund**

**Ernst & Young S.A.**  
35E, Avenue John F. Kennedy  
L-1855 Luxembourg

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Fund described in the prospectus (plus the annexes and the Management Regulations) (“**Prospectus**”) is a Luxembourg investment fund organized as a mutual fund (*fonds commun de placement*), that was set up pursuant to Part I of the Luxembourg law dated 17 December 2010 regarding undertakings for collective investment in transferable securities, as amended (the “**2010 Law**”) for an indefinite period in the form of an umbrella fund with one or more Sub-Funds. The Fund is registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number K1380.

**Distribution of this Prospectus and the offering of the Units may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Units to inform him/her/it-self of and to observe all applicable laws and regulations of the countries of his/her/its nationality, residence, ordinary residence or domicile. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Units to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.**

The Management Regulations (as defined below) give powers to the Board to impose such restrictions as it may think necessary for the purpose of ensuring that no Units in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the sole opinion of the directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered. The Board may prohibit the acquisition by, the transfer to, or compulsorily redeem all Units held by any such persons.

The provisions of the Fund’s Management Regulations are binding on each of its Unitholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Management Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Management Company that this is the most recently published Prospectus.

The legal basis for the purchase of Units is the current Prospectus and the relevant Key Investor Information Documents (“**KIIDs**”). This Prospectus and the relevant KIIDs shall be read in conjunction with the latest annual and semi-annual reports (if any).

The Prospectus, the KIIDs, the annual and semi-annual reports (if any) are available free of charge on a permanent basis at the registered office of the Management Company, the Depositary, the paying agent and the distributor and will be provided to the investor upon request. The KIIDs will be provided to potential investors prior to their first subscription and are available at [www.wealthfunds.eu](http://www.wealthfunds.eu), together with the Prospectus and other relevant information with regard

to the Fund described in this Prospectus. Further information can be obtained at any time from the Management Company during normal business hours.

It is not permitted to submit information or declarations that deviate from the Prospectus or the KIIDs. The Management Company is not liable if and to the extent that information or declarations are submitted that deviate from the current Prospectus or the KIIDs.

The value of the Units may fall as well as rise and a Unitholder on transfer or redemption of Units may not get back the amount he/she/it initially invested. Income from the Units may fluctuate in money terms and changes in rates of exchange may cause the value of Units to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Sub-Fund will be achieved.

### **Data Protection**

Investors are informed that personal data (i.e. any information relating to an identified or identifiable natural person) (the "**Personal Data**") provided in connection with an investment in the Fund (the "**Data Controller**") will be processed by the Fund and the Management Company, the Administrative Agent, the Registrar & Transfer Agent, the Depositary, the Paying Agent or the approved statutory auditor, and their affiliates and agents including the Global Distributor and Distributors (if any) (together the "**Entities**") in accordance with data protection law applicable in Luxembourg (including, but not limited to (i) the amended Law of 2 August 2002 on the protection of persons with regard to the processing of Personal Data (ii) Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data (the "**General Data Protection Regulation**"), as well as (iii) any law or regulation relating to the protection of Personal Data applicable to them) (together the "**Data Protection Laws**").

The Entities may act as data processors on behalf of the Data Controller (or, as applicable by law, other controllers) or as controllers in pursuing their own purposes of (i) offering and managing investments and performing the related services (ii) developing and processing the business relationship with the Processors, and (iii) if applicable direct or indirect marketing activities. The Entities shall declare that, in the event of any sub-processing of such processing they will oblige their sub-contractor (the "**Authorised Third Party**") to respect the same level of protection of Personal Data.

Such arrangements will not relieve the Entities of their obligations of protection, notably in the event of the transfer of personal data outside the European Economic Area ("**EEA**").

Subscribers may refuse to communicate their Personal Data to the Data Controller and the Entities and consequently prevent it from using such data. However, this might result in the impossibility for these persons to become Investors of the Fund. Failure to provide relevant Personal Data requested in the course of their relationship with the Fund may prevent an Investor from exercising its rights in relation to its Units and maintaining its holdings in the Fund. This failure may also need to be reported by the Fund, the Management Company and/or the Administrative Agent to the relevant Luxembourg authorities to the extent permitted and/or required by applicable law.

A beneficial owner shall however provide the Company with the relevant Personal Data in relation to the Luxembourg law of 13 January 2019 creating a registrar of beneficial owners (the "**RBO**").

**Law**") and shall inform the Fund of any change thereof. In case of failure to fulfil these obligations under the RBO Law, the relevant beneficial owner may incur penalties in accordance with such law. It may also be prevented from maintaining its holdings in the Fund.

## **1. Personal data collected**

Personal data processed includes, but is not limited to, the name, signature, date and place of birth, nationality, national identification number, address, transaction history of each Investor, e-mail address, bank and financial data, data concerning personal characteristics and data concerning source of wealth, or record of any telephone conversation (including for record keeping).

## **2. Purpose of processing your personal data.**

In most cases, Personal Data provided by Investors are processed notably in order to:

- (i) update the Fund's register of Investors,
- (ii) process subscriptions, redemptions, and conversions of Units as well as the payment of dividends to Investors,
- (iii) ensure controls in terms of late trading and market timing operations, and record keeping as proof of a transaction or related communication
- (iv) comply with the applicable rules regarding the prevention of money laundering and terrorist financing.
- (v) meet the purposes of the legitimate interests pursued by the Fund for direct marketing purposes relating to the Fund's products and services, to conduct surveys (including developing commercial offers)

In particular in relation to point (iv) above and pursuant to the RBO Law, the Fund will be required to provide (and keep up-to-date) the Luxembourg Registrar of Beneficial Owners ("**RBO**") with the following information on any natural person controlling ultimately (directly or indirectly) the fund or holding more than 25% of the Units or of voting rights: name and first name, date and place of birth, nationality, country of residence, private or professional address, national identification number (NIN) and nature and extent of the beneficial interest held.

**Such data may be accessed by any national authorities as well as by the general public (except for the NIN and the nature and extent of the beneficial interest held for which specific exemptions are required) under the conditions set forth by the RBO Law.**

### **a) Based on specific lawful ground, your personal data may be processed in these ways for the following reasons**

The Data Controller and the Entities collect, store, process, and use, electronically or by other means, the Personal Data provided by Investors in order to fulfil their respective legal obligations. In this respect, in application of the legal obligations including the ones under applicable company law, anti-money laundering legislation, FATCA regulations as well as legislation for the purpose of application of the standard for Automatic Exchange of Financial Account Information developed by OECD, the information on the subscribers identified as subject to reporting as defined by these laws will be included in an annual declaration to the Luxembourg tax authorities. If applicable, they will be informed thereof by the Administrative Agent at the very least before the declaration is sent and in sufficient time to exercise their data protection rights (within 1 month or extended period of two other months if necessary).

Record keeping as proof of a transaction or related communication in the event of a disagreement and to enforce or defend the Controller's and Entities' interests or rights in compliance with any

legal obligation to which they are subject. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 5 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Entities).

Investors acknowledge and accept that the Fund, the Management Company and/or the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information on an automatic basis with the competent authorities in the United States of America or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

The Data Controller and the Entities may use the Personal Data to regularly inform Investors about other products and services that the Data Controller and the Entities believe to be of interest to the Investors, unless the Investors have indicated to the Data Controller and the Entities in writing that they do not wish to receive such information.

The Data Controller and the Entities may also transfer the Personal Data of Investors to entities located outside the European Union that may not have developed a suitable level of data protection legislation. Where personal data is transferred outside the EEA, the Data Controller will ensure that the transfer is subject to appropriate safeguards or is otherwise permitted under applicable law. For example, the country to which the personal data is transferred may be approved by the European Commission, the recipient may have agreed to model contractual clauses approved by the European Commission that oblige them to protect the personal data.

**b) Based on specific lawful ground, the Fund is entitled to process your personal data in these ways for the following reasons**

Upon written request, the Data Controller shall also allow Investors to access to their Personal Data provided to the Fund.

The Investor has the right to:

1. access his/her Personal Data;
2. correct his/her Personal Data where it is inaccurate or incomplete or object to the processing of his/her Personal Data;
3. ask for erasure of his/her Personal Data;
4. ask for Personal Data portability under certain conditions.

Insofar as Personal Data is not provided by the data subject him/herself, his/her representatives and/or authorized signatories confirm having informed and, where applicable, secured his/her consent to the transmission to and processing by the various parties referred to above (including in countries outside the European Union) of such Personal Data.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the Investors' Personal Data, except in the event of gross negligence or willful misconduct of the Fund.

Attention of Investors is drawn to the fact that information relating to the processing of Personal Data (the "**Personal Data Protection Policy**") is subject to update and/or modification.



### **c) Contact information & exercise of rights**

The investor may exercise these rights by writing to [thirdparty.funds@lemanik.lu](mailto:thirdparty.funds@lemanik.lu).

In addition, the investor has a right to file a complaint with the Luxembourg data protection authority, the “*Commission nationale pour la protection des données*” (CNPd), if the investor has concerns about the processing of his or her personal data.

Below are the contact details of the “*Commission nationale pour la protection des données*”:

Address: 15, Boulevard du Jazz, L-4370 Belvaux

Telephone: (+352) 26 10 60 -1

Fax. : (+352) 26 10 60 - 29

Website: <https://cnpd.public.lu/en.html>

Web-form: <https://cnpd.public.lu/en/droits/faire-valoir/formulaire-plainte.html>

Additional information on data protection is available upon request and at the following email address [thirdparty.funds@lemanik.lu](mailto:thirdparty.funds@lemanik.lu).

The Fund will retain the Investor's personal data only for as long as necessary for the relevant processing activity and/or for as long as is necessary to comply with all relevant legal and regulatory requirements.

### **Solvency II**

The Management Company may, upon request and within a delay which shall not be less than 48 hours after the latest publication of the Net Asset Value, communicate the composition of the portfolio of the Fund/Sub-Fund to professional investors who are subject to the obligations deriving from Directive 2009/138/CE (Solvency II).

The information so transmitted shall be considered as strictly confidential and shall be used only for the purpose of calculating prudential requirements in connection with such Directive. They may under no circumstances entail prohibited practices such as “market timing” or “late trading” from Unitholders having been provided with such information.

This Prospectus and any annexes may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and annexes. To the extent that there is any inconsistency between the English language Prospectus (including its annexes) and the Prospectus (including its annexes) in another language, the English language will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Units are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus (including its annexes) on which such action is based shall prevail.

## DEFINITIONS

<b>1915 Law</b>	The Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time.
<b>2010 Law</b>	The Luxembourg law of 17 December 2010 on undertakings for collective investments, as amended from time to time.
<b>Board or Board of Directors</b>	The board of directors of the Management Company.
<b>Business Day</b>	A full day on which banks are opened for business in Luxembourg.
<b>Class of Units</b>	Any class of Units issued by any Sub-Fund of the Fund.
<b>CSSF</b>	The <i>Commission de Surveillance du Secteur Financier</i> , regulatory authority of the financial sector in Luxembourg.
<b>Director(s)</b>	The members of the board of directors of the Management Company for the time being and any successors to such members as they may be appointed from time to time.
<b>EU</b>	The European Union.
<b>Euro or EUR</b>	The lawful currency of the European Union.
<b>FATCA</b>	The US Foreign Tax Compliance Act.
<b>Fund</b>	The Wealth Fund and its Sub-Funds
<b>Institutional Investor</b>	Investor which qualifies as an institutional investor within the meaning of the 2010 Law.
<b>Investment Advisor</b>	Any entity or person appointed from time to time by the Management Company (or as applicable, the Investment Manager) to provide investment advisory services to a Sub-Fund as disclosed in the relevant Sub-Fund annex.
<b>Investment Manager</b>	Any investment manager as appointed from time to time by the Management Company as disclosed in the relevant annex.
<b>KIID</b>	A key investor information document pertaining to the Units of a Class of Units, as the case may be, and as defined by the 2010 Law.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Management Regulations</b>	The management regulations of the Fund, as amended from time to time.
<b>Net Asset Value or NAV</b>	The net asset value of the Fund, each Class and each Unit as

	determined pursuant to the section “Determination of the Net Asset Value”.
<b>OECD</b>	The Organisation for Economic Co-operation and Development.
<b>Prospectus</b>	This prospectus and its annexes, as amended from time to time.
<b>RCS</b>	The Luxembourg Register of Commerce and Companies ( <i>Registre de Commerce et des Sociétés, Luxembourg</i> ).
<b>Redemption Fee</b>	A fee calculated on the redeemed amount levied for the benefit of the Sub-Fund disclosed in the relevant Sub-Fund annex that may be applied to redemptions of Units.
<b>Reference Currency</b>	EUR or any other currency in which a Sub-Fund may be denominated, as specified in the relevant Sub-Fund annex.
<b>RESA</b>	The Luxembourg Electronic Register of Companies and Associations ( <i>Recueil Electronique des Sociétés et Associations</i> )(having replaced the <i>Mémorial</i> since 1 June 2016.
<b>Sub-Fund(s)</b>	Any sub-fund of the Fund established by the Board in accordance with this Prospectus and the Management Regulations.
<b>Subscription Fee</b>	A fee calculated on the subscribed amounts levied for the benefit of the financial intermediaries disclosed in the relevant Sub-Fund annex that may be applied to subscription of Units. The Subscription Fee is to be considered as a maximum rate and the financial intermediaries may decide at their discretion to waive this charge in whole or in part.
<b>Transferable Securities</b>	Shall mean: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares,</li> <li>- bonds and other debt instruments,</li> <li>- 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 within the meaning of the 2010 Law.
<b>UCITS Directive</b>	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on UCITS as regards depositary functions, remuneration policies and sanctions.
<b>Unit(s)</b>	Units issued in any Sub-Funds and/or Classes pursuant to this Prospectus.

<b>United States</b>	The United States of America, any state, territory, or possession thereof, any area subject to its jurisdiction, the District of Columbia, or any enclave of the United States Government or its agencies or instrumentalities.
<b>Unitholder</b>	A holder of Unit(s) in the Fund.
<b>US Person</b>	Has the meaning ascribed to such term in the Regulation S of the 1933 Act and include US entities and US resident individuals as construed under the Hire Act and FATCA.
<b>Valuation Day</b>	Any Business Day which is designated by the Board as being a day by reference to which the assets of the relevant Sub-Funds shall be valued in accordance with the Management Regulations, as further disclosed in the relevant Sub-Fund annex.

## Prospectus

The Management Regulations give the Management Company the authority to establish different Sub-Funds within the Fund as well as different Classes of Units with specific characteristics within these Sub-Funds. The Prospectus will be updated each time a new Sub-Fund is created or an additional Class of Units is issued and annexes relating to the respective Sub-Funds and the Management Regulations of the Fund are attached to this Prospectus.

The Management Regulations entered into force for the first time on 4 May 2012 and were amended for the last time as of 12 June 2023. They are filed with the Luxembourg Register of Commerce and Companies (*Registre du Commerce et des Sociétés Luxembourg*) and a mention was published in the Luxembourg Electronic Register of Companies and Associations (*Recueil Electronique des Sociétés et Associations*).

The Prospectus (along with annexes) and the Management Regulations form an integral part and therefore complement each other.

The capital of the Fund shall at all times be equal to the total Net Asset Value of the Fund and will not fall below the minimum capital required by Luxembourg law.

The Fund is established for an unlimited duration. However, the Board may establish Sub-Funds for a limited duration, as may be specified in the relevant Sub-Fund annex. The creation of any new Sub-Fund requires the prior review of the home regulator of the Fund, i.e. the CSSF.

The Fund has no legal personality as an investment fund. The entire assets of each Sub-Fund are the undivided property of all investors who have equal rights in proportion to the number of Units they hold. These assets are separate from the assets of the Management Company.

With respect to the Unitholders, each Sub-Fund is regarded as being separate from the others. The assets of a Sub-Fund can only be used to offset the liabilities which the Sub-Fund concerned has assumed.

### The Management Company

The Management Company of the Fund is **Lemanik Asset Management S.A.** (the “**Management Company**”), a public limited liability company according to the law of the Grand Duchy of Luxembourg with registered office at 106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg. It was established on 1 September 1993 for an indefinite period of time. Its articles of association were published in the “*Mémorial, Recueil des Sociétés et Associations*”, the Official Journal of the Grand Duchy of Luxembourg (“**Mémorial**”) on 5 October 1993. The last amendment of the articles of association entered into force on 19 June 2015 and was published in the *Mémorial* on 25 August 2015. The Management Company is registered with the RCSL under number B44870. The financial year of the Management Company ends on 1 December of each year. The capital of the Management Company amounted to EUR 2.071.700,00 on 31 December 2019.

The purpose of the Management Company is the establishment and management of Luxembourg undertakings for collective investment in transferable securities approved pursuant to the UCITS Directive and of other undertakings for collective investments that are not subject to the UCITS Directive and for which the Management Company is subject to supervision.

The Management Company meets the requirements of the UCITS Directive regarding the coordination of the legal and administrative regulations with regard to certain undertakings for collective investment in transferable securities.

The Management Company is responsible for the administration, management and marketing of the Fund. It may carry out all management and administration measures and all rights directly or indirectly associated with the Fund/Sub-Fund's assets for the Fund's account.

When carrying out its tasks, the Management Company acts independently of the Depositary and solely in the interest of the investors.

The Management Company meets its obligations with the care of a paid agent.

The Board of Directors of the Management Company has appointed Jean Philippe Claessens, Alexandre Dumont, Philippe Meloni, Armelle Moulin and Gilles Roland as conducting officers and transferred the entirety of the Fund management to them.

In addition to the Fund, the Management Company also acts as Management Company for other funds. A list of the investment funds currently managed by the Management Company can be viewed at the registered office of the Management Company.

To the extent required by applicable law and subject to the approval of the CSSF, the Management Company is authorised to delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company.

Where the Management Company has delegated any of its functions to a third party, the relevant agreement shall contain a provision which allows the Management Company to give at any time further instructions to the entity(ies) to which those functions have been delegated and to terminate the relevant agreement without prior notice and with immediate effect, as provided for by article 110 (1) (g) of the 2010 Law.

The Management Company has delegated the central administration functions and the registrar and transfer agency functions to the Administrative Agent and Registrar and Transfer Agent.

The Management Company is entitled to outsource its own activities to third parties whilst retaining its own responsibility and its control. The delegation of tasks may not impede the effectiveness of the supervision by the Management Company in any way. In particular, the Management Company may not be hindered as a result of the delegation of tasks from acting in the interests of the investors.

### **Remuneration Policy**

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles or this Prospectus, nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the "Remuneration Policy").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Sub-Funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website

1. A paper copy of the Remuneration Policy is available free of charge to the shareholders upon request.
2. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the unitholders and includes measures to avoid conflicts of interest.
3. In particular, the Remuneration Policy will ensure that:
  1. the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
  2. the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
  3. the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
  4. the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Company and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
  5. the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and
  6. the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.

In context of delegation, the Management Company will ensure that the delegate has in place in place a remuneration policy and practices which are consistent with the requirements of articles 111bis and 111ter of the 2010 Law, article 14a of Directive 2009/65/EC as amended by Directive 2014/91/EU.

### **Investment Manager**

The Management Company may, under its supervision and responsibility, delegate investment management services in relation to one or several Sub-Fund(s) to one or several investment manager(s) (the “**Investment Manager**”).

The role of an Investment Manager is to pursue the investment policy of a Sub-Fund in accordance with the respective Sub-Funds’ investment objectives and policy, to manage the day-to-day

business of the portfolio (under the supervision, control and responsibility of the Management Company) and to provide other related services. Investment Managers are at all times subject to the investment objectives and policy set out in the Prospectus for each Sub-Fund, the investment restrictions, the Management Regulations and any other applicable legal restrictions.

An Investment Manager has full investment discretion over the assets of a Sub-Fund. An Investment Manager may use and select brokers of its own choosing to settle transactions and may, at its own expense and responsibility, consult or delegate duties to third parties. In principle, an Investment Manager bears all expenses it incurs in connection with the services it provides for a Sub-Fund.

The identity, powers, functions and remuneration of the Investment Manager, if any, will be detailed as applicable in the relevant Sub-Fund detailed in the relevant Sub-Fund annexes.

### **Investment Advisor**

The Management Company or the Investment Manager, if any (with the prior consent of the Management Company), may delegate investment advisory services relating to certain Sub-Funds to one or several investment advisor(s) (the “**Investment Advisor**”).

The identity and remuneration of the Investment Advisor, if any, will be detailed as applicable in the relevant Sub-Fund annexes.

### **Administration Agent and Registrar and Transfer Agent**

The Management Company on behalf of the Fund, has appointed, under its own responsibility, for the administration of the Fund as well as the transfer and registrar agent function **KREDIETRUST LUXEMBOURG S.A. (“KTL”)** with registered office at 88, Grand-Rue, L-1660 Luxembourg. KTL is a public limited liability company pursuant to the law of the Grand Duchy of Luxembourg. As Administrative Agent, KTL will carry out all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the Units and the provision of accounting services to the Fund. As Registrar and Transfer Agent, it will process all subscriptions, redemptions and transfers of Units and will register these transactions in the register of the Fund.

KTL has in turn delegated, under its own responsibility, certain duties relating to the administration of the Fund as well as the transfer and registrar agent function to European Fund Administration S.A., notably the calculation of the Net Asset Value, the processing of requests and/or orders for the subscription, redemption, conversion and the transfer of Units and the keeping of the Unit register.

### **The Depositary**

The Depositary of the Fund is **QUINTET PRIVATE BANK (EUROPE) S.A.** with registered office at 43, Boulevard Royal, L-2449 Luxembourg. The Depositary is a public limited liability company pursuant to the law of the Grand Duchy of Luxembourg and conducts bank transactions. The function of the Depositary is regulated by the 2010 Law, the Depositary agreement, the Management Regulations (Article 3) and this Prospectus (including the annexes). As Depositary, Quintet Private Bank (Europe) S.A. will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law. The Depositary will, in accordance with the 2010 Law:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of Units of the Fund



- are carried out in accordance with the applicable Luxembourg law and the Management Regulations;
- (b) ensure that the value of the Units of the Fund is calculated in accordance with the applicable Luxembourg law and the Management Regulations;
  - (c) carry out the instructions of the Fund, unless they conflict with the applicable Luxembourg law, or with the Management Regulations;
  - (d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
  - (e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Management Regulations.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of Units of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- (a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- (b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the Directive 2006/73/EC); and
- (c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- (a) for financial instruments that may be held in custody, the Depositary shall:
  - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- (b) for other assets, the Depositary shall:
  - (i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
  - (ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may not be reused unless specific circumstances, as provided for in the 2010 Law.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the 2010 Law are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the 2010 Law and with the relevant CSSF regulations, to ensure that

it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on <https://www.quintet.com/en-LU/Pages/Regulatory-affairs> and is made available to investors free of charge upon request.

**Conflicts of interests:**

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

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

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible for taking all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the conflicts of interests and/or its source to the Fund which shall take appropriate action. Furthermore, the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

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

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

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the below list will be updated accordingly):

- (i) Conflicts of interests between the Depositary and the Sub-Custodian:
  - The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.
- (ii) The Depositary has a significant Unitholder stake in EFA and some members of the staff of the Depositary are members of EFA's board of directors.
  - The staff members of the Depositary in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.
- (iii) The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within Quintet).
  - The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party with whom the custody of financial instruments are held in custody in accordance with the 2010 Law. The Depositary shall not be liable if it can prove that the 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.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

In addition, the Depositary is entitled to be reimbursed by the Fund its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

## **The Paying Agent**

Pursuant to a Paying Agency Agreement, Quintet Private Bank (Europe) S.A. acts as Paying Agent. As principal paying agent Quintet Private Bank (Europe) S.A. will be responsible for distributing income and dividends, if applicable, to the Unitholders.

### **Conflicts of Interests**

The Investment Manager, if any, the Investment Advisor, if any, the Global Distributor, the Management Company, the Depositary, the Administrative Agent and its delegate(s) and their respective affiliates, directors, officers and Unitholders (collectively the “**Parties**”) are or may be involved in other financial, investment and professional activities which may cause conflict of interest with the management and administration of the Fund. Conflict of interests may arise from the management of other collective investment schemes, purchase and sale of securities, brokerage services, custody and safekeeping services and serving as directors, officers, advisors, distributors or agents of other collective investment schemes or other companies, including companies and investment funds in which the Fund may invest.

Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Board of the Fund and the relevant Parties shall endeavour to ensure that it is resolved fairly within reasonable time and in the interest of the Unitholders of the Fund.

The Fund is structured and organised in such a way as to minimise the risk of its investors' interests being prejudiced by conflicts of interest arising between the Fund and, where applicable, any person contributing to the business activity of the Fund or any person linked directly or indirectly to the Fund. In the event of a potential conflict of interest, the Fund shall ensure that the investors' interests are safeguarded. In that respect the Management Company has in place a conflict of interest policy.

Specific potential conflicts of interests (e.g. with respect to the Depositary) are disclosed in the relevant section of this Prospectus.

## **Prevention of money laundering and financing of terrorism**

Pursuant to international rules and Luxembourg laws and regulations, including but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, as well as circular of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar and transfer agent of a Luxembourg UCI must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar and transfer agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable for redemption) will not be accepted. Neither the Management Company nor the registrar and transfer agent have any liability for delays or failure to process deals because of the applicant providing no or any incomplete documentation. Unitholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## **Legal status of the investors**

**The Management Company points out to the investors the fact that each investor can only claim its investor rights in their entirety directly against the Fund and/or Sub-Fund if the investor himself/herself and in his/her own name is registered in the Unitholder register of the Fund and/or Sub-Fund. In the cases in which an investor has invested in a Fund and/or Sub-Fund via an intermediary that carries out the investment in its name but on behalf of the investor, all investor rights cannot necessarily be exercised directly by the investor against the Fund and/or Sub-Fund. Investors are recommended to inform themselves about their rights.**

## **Subscription and issue of Units**

### **General Information**

Within each Sub-Fund, the Management Company is authorised to create different Classes, which may be characterised by their distribution policy (distribution or accumulation Units), their reference currency, commission level or any other characteristic decided by the Management Company and as detailed in the relevant section of the Sub-Fund annexes.

From their date of issue, all Units participate in the same way in terms of the income, gains and liquidation proceeds of their respective Class of Units.

Fractional Units will be issued up to four decimal places. Fractions of Units do not confer the right to vote at general meeting, but will grant entitlement to a distribution or a proportionate distribution of the liquidation proceeds in the case that the Sub-Fund concerned is liquidated.

Registered Units will be entered by the Registrar and Transfer Agent in the Unit register held for the Fund. In this context, no certificates will be issued but the investors will be sent confirmations with regard to the entry in the Unit register to the address indicated in the Unit register.

Units may also be held and transferred through accounts maintained with clearing systems.

If Units of a Sub-Fund are approved for official trading on a stock exchange, this will be indicated in the relevant annex to the Prospectus.

It cannot be excluded that the Units of the respective Sub-Funds are also traded on other markets (Example: listing on a stock exchange).

The market price underlying the stock exchange trading or trading in other markets will not be determined solely by the value of the assets held in the respective Sub-Fund, but also by supply and demand. Consequently, this market price can deviate from the Unit price determined.

### **Market timing and late trading**

An investment in the Sub-Funds is intended as a long-term investment. The systematic purchase and sale of Units for the purpose of utilising time differences and/or conceivable weaknesses or imperfections in the valuation system of the Net Asset Value by an investor, the so-called market timing, can harm the interests of other investors. The Management Company rejects this technique of arbitrage.

The purchase or sale of Units after close of trading at a closing price already established or foreseeable, so-called late trading, is strictly rejected by the Management Company. The Registrar and Transfer agent (under the responsibility of the Management company) will ensure at any rate that the issue and redemption of Units is settled on the basis of a Net Asset Value previously unknown to the investor.

To avoid such practices, the Management Company therefore reserves the right to reject, revoke or suspend a subscription or conversion request of an investor if there is suspicion that the investor is conducting market timing or late trading. In this case, the Management Company will take suitable measures to protect the other investors of the Fund.

### **Issue of Units**

Units are issued on each Valuation Day at the issue price. The issue price is the Unit price pursuant to Article 8 of the Management Regulations, plus a Subscription Fee, which maximum amount for the respective Sub-Fund is detailed in the relevant Sub-Fund annex. The issue price may be increased by other charges or costs that are incurred in the respective sales countries.

Subscription requests for the purchase of registered Units can be submitted to the Registrar and Transfer Agent, the distributor and the paying agents. They must immediately forward the subscription requests to the Registrar and Transfer Agent. Receipt by the Registrar and Transfer Agent is decisive. The latter accepts the subscription requests on behalf of the Management Company.

Complete subscription requests that are received by the Registrar and Transfer Agent by 5pm at the latest on a Valuation Day will be settled at the issue price of the immediately following Valuation Day. The Registrar and Transfer agent (under the responsibility of the Management company) will ensure in any case that the issue of Units is settled on the basis of a Net Asset Value previously unknown to the investor. Subscription requests that are received by the Registrar and Transfer Agent after 5pm on a Valuation Day will be settled at the issue price on the next following Valuation Day.

For Retail Investors, if the equivalent value of the subscribed registered Units is not available at the time when the complete subscription application is received by the Registrar and Transfer Agent or if the subscription application is received in erroneous or incomplete form, the subscription application is deemed to have been received by the Registrar and Transfer Agent on the date on which the equivalent value of the subscribed Units is available or the subscription application is complete and correct.

For Institutional Investors, the issue price will be paid out within two Business Days after the corresponding Valuation Day in the respective Class of Units currency at the Depositary in Luxembourg.

If the purchase of Units is agreed for a multi-annual period (savings plan), a maximum of a third of the payments agreed for the first year will be used to cover costs and the remaining costs distributed evenly to all subsequent payments.

The Management Company is entitled to suspend the subscription of Units temporarily due to a suspension of the calculation of the Net Asset Value. The circumstances under which the issue of Units will be suspended are described in Article 6, 8 in conjunction with Article 10, 16 of the Management Regulations.

## Redemption and conversion of Units

The investors are entitled to request at any time the redemption of their Units at the relevant applicable Net Asset Value pursuant to Article 9 of the Management Regulations, if applicable less any Redemption Fee (as indicated in the respective annex to this Prospectus).

This redemption is only applied on any Valuation Day.

In certain countries, the Redemption Price is reduced by taxes and other charges incurred there. Redeemed Units will be cancelled on the relevant Valuation Day.

The payment of the Redemption Price and any other payments to the investors will be done via the Depositary and via the paying agents. The Depositary is only obligated to payment in this regard if no statutory provisions, e.g. regulations under foreign currency law or other circumstances that the Depositary cannot influence prohibit the transfer of the redemption price to the applicant's country.

The Management Company can redeem Units unilaterally in return for the payment of the Redemption Price if this appears necessary in the interest of all the investors or for the protection of the investors or of a Sub-Fund.

The rate at which all or part of the Units in a given Sub-Fund (the "Original Sub-Fund") are converted into Units of another Sub-Fund (the "New Sub-Fund") is determined in accordance with the following formula:

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

where:

- A number of Units to be allocated in the New Sub-Fund;
- B number of Units of the Original Sub-Fund which is to be converted;
- C Net Asset Value per Unit of the Original Sub-Fund at the relevant Valuation Day;
- D Net Asset Value per Unit of the New Sub-Fund at the relevant Valuation Day;
- E actual exchange rate determined by the Depositary after the calculation of the Net asset Value per Unit of the relevant Sub-Fund for the relevant Valuation Day, if the conversion involves Units denominated in different currencies.
- F applicable conversion fee, if any

If different Classes of Units are offered within a Sub-Fund, a conversion of a Unit of a Class of Units in Units of another Class of Units within the Sub-Fund can also be done unless otherwise determined in the respective Sub-Fund's annex. No conversion fee will be charged in these cases.

The Management Company can reject an application for conversion for the respective Sub-Fund if this appears necessary in the interest of the Fund or of the Sub-Fund or in the interest of the investors.

Complete redemption orders or conversion requests for the redemption or the conversion of registered Units can be submitted to the Registrar and Transfer Agent, the distributor and the paying agents, who shall forward the redemption requests or conversion requests immediately to the Registrar and Transfer Agent.



A redemption order or a conversion request is complete if it states the name and the address of the investor, as well as the number of Units or the equivalent value of the Units to be returned or converted, as well as the name of the Sub-Fund/Class of Units, and if it is signed by the corresponding investor.

Complete redemption orders or complete conversion requests that are received by the Registrar and Transfer Agent by 5 p.m. at the latest on a Valuation Day will be settled as the Net Asset Value of the immediately following Valuation Day, less any redemption fee or taking into account the exchange commission. In any case, the Registrar and Transfer Agent (under the responsibility of the Management Company) will ensure that the redemption or conversion of Units are settled on the basis of a Net Asset Value previously unknown to the investor. Complete redemption requests or conversion requests that are received after 5 p.m. on a Valuation Day will be settled at the Net Asset Value of the next following Valuation Day, less any redemption fee or taking into account the exchange commission.

The redemption price will be paid out within two Business Days after the corresponding Valuation Day in the respective Class of Units currency. In the case of registered Units, the payment is made into an account to be specified by the investor.

The Management Company is entitled to suspend the, redemption and/or conversion of Units temporarily due to a suspension of the calculation of the Net Asset Value.

After prior approval by the Depositary, the Management Company is entitled, while observing the interests of the investors, to only carry out considerable redemptions when corresponding assets of the respective Sub-Fund have been sold without delay. In this case, the redemption will be done at the redemption price valid at the time. The same applies for requests for conversion of Units. The Management Company, however, will ensure that sufficient liquid funds are available to the respective Sub-Fund assets so that a redemption or conversion of Units can be done immediately under normal circumstances on request from investors.

### **Investment policy**

The objective of the Fund and its Sub-Funds is to attain an appropriate performance in the respective Sub-Fund currency by investing in transferable securities and other permitted assets of any kind, including financial derivative instruments, with the purpose of spreading investment risks and affording its Unitholders the results of the management of its portfolios. The specific investment policy of the respective Sub-Fund is described in the respective Sub-Fund annex.

The general investment principles and investment restrictions depicted in Article 4 of the Management Regulations apply for all Sub-Funds if no specific provisions are contained in the respective Sub-Fund annex. In particular (but not limited to), if a Sub-Fund acquires shares in another UCITS and/or other UCI that are managed directly or by delegation, by the same management company or by a company with which the Management Company is affiliated through a common management or control or a substantial direct or indirect holding, that management company or the other company may not charge subscription fees or redemption fees on account of the Fund's investment in the units/shares of such other UCITS and/or UCI.

Taking into account the principle of risk spreading, the respective Sub-Fund assets will be invested pursuant to Part I of the 2010 Law and according to the investment policy principles described in Article 4 of the Management Regulations and within the investment restrictions.

The investments within each Sub-Fund are subject to market fluctuations and to the risk inherent in all investments. Therefore, the Net Asset Value of each Sub-Fund may go down as well as up.

### **Notes on techniques and instruments**

The Management Company acting on behalf of the Fund currently has no intention to employ efficient portfolio management techniques and enter into total return swaps (the “TRS”), securities financing transactions (the “SFTs”) or financial derivative transactions that require the use of collateral to reduce counterparty risk. The SFTs include (i) repurchase transactions, (ii) securities lending and securities borrowing, (iii) buy-sell back transactions or sell-buy back transactions and (iv) margin lending transactions. In case any Sub-Fund decides to employ such strategies and accepts collateral to reduce counterparty risk in the future, it will comply with the relevant regulations (in particular 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 (the “SFTR”)) and CSSF Circulars and the Prospectus will be updated accordingly.

In compliance with the General Provisions on Investment Policy (Article 4 of the Management Regulations), the Management Company or the Investment Manager can use the following techniques and instruments.

#### **a) Options**

An option is a right to buy (“purchase option” / “call”) or sell (“sell option” / “put”) certain assets at a point in time defined in advance (“strike time”) or during a period defined in advance at a price defined in advance (“strike price”). The price of a buy or sale option is the option premium.

Both purchase and sale options can be acquired or sold for the respective Sub-Fund if the relevant Sub-Fund, pursuant to its investment objectives provided for in the relevant Sub-Fund annex, may invest in the underlying basic values.

#### **b) Financial futures**

Financial futures are binding agreements for both contractual partners to buy or sell at a certain point in time, the due date, a certain quantity of a certain basic value at a price determined in advance.

Financial futures may only be concluded for the respective Sub-Fund if the respective Sub-Fund may invest in the underlying basic values pursuant to its investment objectives provided for in the Management Regulations.

#### **c) Securities lending**

To generate additional capital or income or to reduce its costs or risks, the Management Company on behalf of the respective Sub-Fund may carry out security lending transactions,

whereby such transactions must comply with the applicable Luxembourg laws and regulations and the CSSF circulars (among others CSSF 08/356, CSSF 11/512 and CSSF 13/559).

- The Management Company on behalf of the respective Sub-Funds may lend securities either directly or within the framework of a standardised securities lending system that is organised by a recognised organisation for securities handling or clearing institutions such as CLEARSTREAM and EUROCLEAR or by a first-class financial institute specialised in such transactions, that is subject to supervisory law regulations that are equivalent to the EU provisions in the opinion of the CSSF. The counterparty of the securities lending contract (i.e. the borrower) must in any case be subject to supervisory law provisions that in the opinion of CSSF are equivalent to the EU provisions. The Management Company on behalf of the respective Sub-Fund ensures that transferred securities can be taken back at any time within the framework of securities lending and the securities lending transaction entered into can be ended at any time. If the aforementioned financial institute acts for its own account, it is to be seen as the counterparty of the securities lending contract. If the Management Company on behalf of the respective Sub-Fund lends its securities to companies who are affiliated with the respective Sub-Fund within the framework of a management or control relationship, attention is to be paid in particular to conflicts of interest that could arise. The Management Company on behalf of the respective Sub-Fund must receive a security in compliance with the supervisory law requirements of the counterparty risk and the provision of security beforehand or at the time when the lent securities are transferred. On expiry of the securities lending contract, the back-transfer of the security is done at the same time or following the return of the lent securities. Within the framework of a standardised securities lending system that is organised by a recognised undertaking for securities handling, or a securities lending system that is organised by a financial institute that is subject to supervisory law provisions that is equivalent to EU provisions in the opinion of CSSF, and that is specialised in this type of transaction, the transfer of the lent securities can be done before the receipt of the security if the intermediary ensures that the transaction is executed correctly. Instead of the borrower, this intermediary can provide the Fund with security in compliance with the supervisory law requirements of the counterparty risk and the provision of security.
- The Management Company on behalf of the respective Sub-Fund must ensure that the scope of the securities lending transactions is kept at an appropriate level, or must be able to request the return of the lent securities in a type and manner that it is possible for it at any time to meet its obligation to redemption and ensure that these transactions do not hinder the management of the assets of the respective Sub-Fund pursuant to its investment policy.
- Based on a standard framework agreement, securities with a value of up to 50% of the value of the respective securities portfolio may be lent for a maximum of 30 days. The securities lending can account for more than 50% of the value of the securities portfolio in the fund assets and exceed 30 days if the respective fund is given the right to terminate the securities lending contract at any time and to request the return of the securities lent.
- Receipt of an appropriate security:
  - The respective Sub-Fund may include a security in compliance with the requirements named here in order to take the counterparty risk into account with transactions with a right of buyback.
  - The respective Sub-Fund must carry out a new evaluation of the security received on a daily basis. The contract between the respective Sub-Fund and the counterparty must make provision for terms that require the furnishing of additional security by the

counterparty within an extremely short period of time if the value of the security already provided does not prove sufficient in the ratio to the amount to be secured. In addition, this contract may have to make provision for security margins that take the currency or market risks into account that are associated with the assets accepted as security. Securities that are issued by the security borrower itself or by a company that belongs to the same corporate group are not permissible as security.

- The security is fundamentally:
  - o Liquid funds: the liquid funds not only include cash and short-term bank assets but also money market instruments that are defined in the Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions. A credit note or first-order collateral to be fulfilled that is issued by a first-class credit institution that is not affiliated with the counterparty is equated to the liquid funds.
  - o Debentures that are issued or guaranteed by a Member State of the OECD or its public regional authorities or by supranational organisations and bodies of a community, regional or global nature.
  - o Debentures that are issued or collateralized by first-class issuers that have appropriate liquidity, or
  - o shares that are listed on the stock exchange or on a regulated market of a Member State of the European Union or are traded on a securities exchange of a country of the OECD if these shares are included in a significant index.

The collateral that is not provided in cash form must be issued by a company that is not affiliated with the counterparty.

- With the securities, an appropriate diversification with regard to countries, markets and issuers is to be ensured. The criterion of appropriate diversification with regard to the issuer concentration is deemed to be met if the UCITS receives a collateral basket from a counterparty with efficient portfolio management or with transactions with OTC derivatives in which the maximum exposure to a certain issuer corresponds to 20% of the Net Asset Value. If a UCITS has different counterparties, the different collateral baskets should be aggregated in order to calculate the 20% limit for the exposure to an individual issuer.
- Non-cash collateral received should not be sold, reinvested or pledged.
- Cash collateral received should only:
  - o be invested as sight deposits with legal entities pursuant to Article 50 letter f) of the UCITS Directive;
  - o be invested in high-quality sovereign bonds;

#### d) Foreign currency futures

The Management Company on behalf of the Fund can conclude foreign currency futures for the respective Sub-Funds.

Foreign currency financial futures are binding agreements for both contractual partners to buy or sell at a certain point in time, the due date, a certain quantity of a certain basic value at a price determined in advance.

e) Swaps

The Management Company on behalf of the Fund may conclude swaps for the account of the respective Sub-Fund assets within the framework of the investment principles.

A swap is a contract between two parties, the object of which is the exchange of payment streams, assets, income or risks. The swaps that can be concluded for the respective Sub-Fund are, for instance, but not exclusively interest, currency, equity and credit default swaps.

An interest swap is a transaction in which two parties swap payment streams that are based on fixed or variable interest payments. The transaction can be compared with the take-up of funds at a fixed interest rate and the simultaneous granting of funds at a variable rate of interest, whereby the nominal amounts of the assets are not swapped.

Currency swaps normally include the swap of the nominal amounts of the assets. They can be equated to the take-up of funds in a currency and a simultaneous take-up of funds in another currency.

Asset swaps, often also called “synthetic securities” are transactions that convert the return from a certain asset value into another interest stream (fixed or variable) or into another currency by the asset value (e.g. bond, floating rate note, bank deposit, mortgage) being combined with an interest or currency swap.

An equity swap is characterised by the swap of payment streams, changes in value and/or other income of an asset in return for payment streams, changes in value and/or income of another asset, whereby at least one of the swapped payment streams or income of an asset is a share or share index.

The Management Company on behalf of the Fund can enter into swaps if the contractual partner is a first-class financial institutions that is specialised in such transactions and the respective Sub-Fund may invest in the underlying basic values pursuant to its investment goals named in the Management Regulations.

f) Swaptions

A swap option is the right but not the obligation to enter into a swap that is precisely specified with regard to the conditions at a certain point in time or within a certain period of time. For the rest, the principles depicted in connection with option transactions apply.

g) Techniques for the management of credit risks

For the respective Sub-Fund, the Management Company on behalf of the Fund can use Credit Linked Notes that are deemed to be securities pursuant to Article 4, Clause 1 letter b) of the Management Regulations, and Credit Default Swaps with regard to an efficient management of the respective Sub-Fund assets if these have been issued by first-class financial institutions and can be reconciled with the investment policy of the respective Sub-Fund.

a. Credit Default Swap (“CDS”)

Within the market for credit derivatives, CDS are the most widespread and quantitatively most important instrument. CDS make it possible to detach the credit risk from the underlying credit relationship. This separate handling of the default risks expands the spectrum

of possibilities for systematic risk and income control. With a CDS, a collateral taker (protection buyer) can protect itself against certain risks from a credit relationship in return for the payment of a periodical premium calculated on the nominal amount for the assumption of the credit risk to a collateral giver (protection seller) for a defined period of time. This premium is based, among others, on the quality of the underlying reference debtor(s) (=credit risk). The risks to be transferred are firmly defined beforehand as so-called credit events. As long as no credit event occurs, the CDS seller does not have to make any payment. If a credit event occurs, the seller pays the pre-defined amount, for instance the nominal value or a compensation payment amounting to the difference between the nominal value of the reference assets and their market value after the occurrence of the credit event ("cash settlement"). The buyer then has the right to use an asset of the reference debtor qualified in the agreement whereas the premium payments of the buyer are suspended from this point in time. The Management Company of the respective Sub-Fund can act as a collateral taker or collateral giver.

CDS are traded over the counter (OTC market), which means more specific, non-standardised requirements of both counterparties can be addressed in return for lower liquidity.

The commitment of the obligations arising from the CDS must be both in the sole interests of the Fund and in compliance with its investment policy. With the investment limits pursuant to Article 4 Clause 6 of the Management Regulations, the bonds underlying the CDS as well as the respective issuer are to be taken into account.

Credit Default Swaps are evaluated pursuant to comprehensible and transparent methods on a regular basis. The Management Company and the auditor will monitor the traceability and the transparency of the valuation methods and its application. If differences should be established during the monitoring, the elimination will be initiated by the Management Company.

The total of the CDS and the other techniques and instruments together may not exceed the Net Asset Value of the respective Sub-Fund.

#### b. Credit Linked Note ("CLN")

A Credit Linked Note ("CLN") is a debenture issued by the collateral taker that is only paid back at the end of the term at the nominal amount if a previously specified credit event does not occur. In the case of a credit event occurring, the CLN will be paid back within a particular period of time, with a deduction of the compensation amount. In addition to the bond amount and the interest to be paid on it, CLNs make provision for a risk premium that the issuer pays to the investor for the right to reduce the repayment amount of the bond when the credit event is realised.

#### h) Comments

The aforementioned techniques and instruments can be extended by the Management Company acting on behalf of the Fund if necessary if new instruments corresponding to the investment objective are offered on the market that the respective Sub-Fund may use pursuant to the supervisory law provisions and the statutory provisions.

By using techniques and instruments for an efficient portfolio management, direct/indirect costs can be incurred that are charged to the Fund assets. These costs can be incurred both for third parties and also for parties belonging to the Management Company or Depositary and can be paid on a pro rata basis based on the gross yields collected through the use of techniques and instruments. A list of the direct and indirect costs as well as the disclosure of the parties to whom these direct and indirect costs are paid in connection with the efficient portfolio management can be found in the Fund's annual report. In the process, it will also be explained whether these parties are parties belonging to the Management Company or Depositary.

### **Calculation of the Net Asset Value**

The net assets of the Fund are denominated in Euro (EUR) ("**Reference Currency**").

The net asset value of a Unit ("**Net Asset Value**" or "**NAV**") is in the currency indicated in the respective Sub-Fund annex unless otherwise indicated for any other Class of Units in the relevant Sub-Fund annex.

The NAV is calculated by the Administrative Agent, under the supervision of the Management Company on each Valuation Day. To calculate the Net Asset Value, the value of the assets belonging to the respective Sub-Funds, less the liabilities of the respective Sub-Fund will be determined on each Valuation Day and divided by the number of Units in circulation in the respective Sub-Fund on the relevant Valuation Day and rounded to the nearest two decimal places. Further details on the calculation of the Net Asset Value are defined in particular in Article 5 of the Management Regulations.

### **Notes on risk**

**An investment in Units in a Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.**

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

### **General market risk**

The assets in which the Management Company invests for the account of the Sub-Fund(s) also harbour risks in addition to the opportunities for an increase in value. If a Sub-Fund invests directly or indirectly in securities and other assets, it is exposed to the general trends and tendencies on the markets, in particular on the securities markets, which are attributable to diverse, in places also irrational factors. This means that losses in value can occur in that the market value of the assets falls compared to the purchase price. If the Unitholder sells Units in the Sub-Fund at a

point in time at which the NAV per Unit has fallen compared to the point in time when he or she bought the Unit, he or she will not receive all of the money invested by him/her in the Sub-Fund. Although each Sub-Fund strives for constant increases in growth, these cannot be guaranteed. The investor's risk is, however, limited to the invested sum. There is no obligation to make additional capital contributions beyond the money invested by the investor.

### **Risk of a change in interest**

With the investment in fixed-interest-bearing securities, there is the possibility that the market interest level existing at the time a security is issued can change. If the market interest rates changes compared to the interest rates at the time of issue, the Unit prices of the fixed-interest-bearing securities usually fall. If, however, the market interest rate falls, the Unit price of fixed-interest-bearing securities increases. This Unit price development results in the current return of the fixed-interest-bearing security corresponding approximately to the current market interest rate. These fluctuations in Unit prices, however, vary depending on the term of the fixed-interest-bearing securities. Fixed-interest-bearing securities with shorter terms have fewer Unit price risks than fixed-interest-bearing securities with longer terms. In contrast, fixed-interest-bearing securities with shorter terms usually have lower returns than fixed-interest-bearing securities with longer terms.

### **Credit risk**

The creditworthiness (solvency and willingness to pay) of the issuer of a security or money market instrument held directly or indirectly by a Sub-Fund can fall retrospectively. This usually results in declines in Unit prices in the respective security that exceeds the general market fluctuations.

Bonds or debt instruments issued by entities that have a low rating are, as a general rule, considered to be at a higher credit risk, with a higher probability of the issuer defaulting, than those of issuers with a higher rating.

### **Company-specific risk**

The Unit price development of securities and money market instruments held directly or indirectly by a Sub-Fund is also dependent on company-specific factors, for instance on the commercial situation of the issuer. If the company-specific factors worsen, the Unit price of the respective security can fall substantially and permanently, irrespective of any other general positive development on the stock exchanges.

### **Addressee default risk**

The issuer of a security held directly or indirectly by a Sub-Fund or the debtor of a receivable belonging to a Sub-Fund can become insolvent. The corresponding assets of the Sub-Fund can become commercially valueless as a result.

### **Counterparty risk**

If transactions are not made via a stock exchange or a regulated market ("OTC transactions"), there is the risk, in addition to the general addressee default risk, that the counterparty of the transaction will default or not meet its obligations in full. This applies in particular to transactions that have techniques and instruments as their object. In order to reduce the counterparty risk with OTC derivatives, the Management Company can accept securities for the Fund. This is done in



compliance and taking into account the requirements of the ESMA guidelines 2014/937 (as may be amended, supplemented or replaced from time to time). With regard to the suitability and valuation of such securities, the statements under “Notes on techniques and instruments” apply accordingly. The collateral can be accepted both in cash and in the form of securities. The securities received will not be sold, reinvested or pledged. The Management Company has implemented a haircut strategy for the securities received, taking into account the specific properties of the securities received.

### **Currency risk**

If a Sub-Fund holds assets directly or indirectly that are in a foreign currency, it is exposed to a currency risk (if foreign currency positions are not hedged). Any devaluation of the foreign currency compared to the base currency of the Sub-Fund will result in the value of the assets in foreign currency falling.

### **Sector risk**

If a Sub-Fund focuses on certain sectors within the framework of its investment, this also reduces the risk spread. As a result, the Sub-Fund is particularly dependent both on the general development and on the development of company profits in individual sectors or sectors that mutually affect one another.

### **Country/region risk**

If a Sub-Fund focuses on certain countries or regions within the framework of its investment, this also reduces the risk spread. As a result, the Sub-Fund is particularly dependent on the development of individually or closely linked countries and regions and/or the companies domiciled and/or active in these countries and regions.

### **Country and transfer risks**

Commercial or political instability in countries in which a Sub-Fund is invested can result in a Sub-Fund not receiving the monies to which it is entitled despite the issuer of the respective securities or other asset being able to pay, or not receiving them in full. For instance, foreign currency or transfer restrictions or other amendments to the law could be relevant for this.

### **Liquidity risk**

In particular with illiquid (restricted market) securities, a not-too-large order can already result in substantial changes in Unit prices both with purchases and with sales. If an asset is not liquid, there is the risk that in the event of the asset being sold this is not possible or only with acceptance of a substantial discount on the sales price. In the event of purchase, the illiquidity of an asset can result in the purchase price increasing substantially.

### **Custody risk**

The custody risk describes the risk that results from the fundamental possibility that the investments in custody could be withdrawn from access by the Sub-Fund for the latter's detriment in the event of insolvency, negligible, wilful or fraudulent actions by the Depositary or a sub-custodian in part or in full.

**Inflation risk**

Inflation risk means the risk of suffering financial damage due to the devaluation of money. Inflation can result in the yield of a Sub-Fund or the value of the investment as such are reduced with regard to purchasing power. Different currencies are subject to the risk of inflation in varying degrees.

**Handling risk**

In particular, in the case of investment in non-listed securities, there is the risk that the handling by a transfer system is not carried out as expected due to a delayed or a non-contractual payment or delivery.

**Financial and Derivatives Instruments and Hedging Strategies**

Investments of a Sub-Fund may be composed of securities with varying degree of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the Net Asset Value of a Sub-Fund concerned.

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or may be used as part of the principal investment policies. A Sub-Fund's ability to use the strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves special risks, including:

- (i) dependence on the Investment Manager (if any) or the Management Company's ability to predict movements in the price of securities being hedged and movements in interest rates;
- (ii) imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
- (iii) the absence of a liquid market for any particular instrument at any particular time;
- (iv) the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Sub-Fund;
- (v) possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because of a percentage of a Sub-Fund's assets used to cover its obligations.

**Risk of suspension of redemption**

As a general rule, the investors can request the redemption of their Units at a price valued on the applicable Valuation Day. The Management Company can, however, suspend the redemption of the Units temporarily if exceptional circumstances exist and defer such redemption request to a later date, at the applicable price at that date (cf. in this regard also Article 6 of the Management Regulations "Suspension of the calculation of the Net Asset Value", Article 9 of the Management Regulations "Redemption and conversion of Units"). This price can be lower than that before the suspension of redemption.

The Management Company can also be forced to suspend redemption in particular when one or several funds, whose Units have been acquired for a Sub-Fund, suspend the redemption of Units for their part and these constitute a substantial portion of the respective Sub-Fund's assets.

### **Effects of redemptions**

Large redemptions of Units within a limited period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Units being redeemed and the outstanding Units. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-Fund's Net Asset Value could make it more difficult for the Investment Manager (if any) or the Management Company to generate profits or recover losses.

### **Risks related to a Eurozone breakup event**

Certain Sub-Funds may invest substantially in Europe. Potential scenarios could include, among other things, the downgrading of the credit rating of European countries, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant EU Member States from the Eurozone, or any combination of the above alongside other economic or political events. This could lead the Euro to no longer being a recognised trading currency. This in turn could cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an existing EU Member States, potentially requiring the redenomination of some or all Euro-denominated sovereign debt, corporate debt and securities leading to increased legal and operational risks. In addition, there could also be an increase in volatility, liquidity and currency risks associated with investments in Europe and the Sub-Funds could be adversely affected by any or all of the above factors, with other additional unintended consequences.

### **Risk related to FATCA**

Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by the Unitholders concerned may be adversely impacted to a significant extent.

### **Risk related to Common Reporting Standard**

For exchange of information purpose, Unitholders are informed that their personal and account information (the Information as described in the Common Reporting Section) may be reported to the relevant tax authorities.

Any Unitholders that fails to comply with the Fund's information or documentation requests may be held liable for penalties imposed on the Unitholders and attributable to such Unitholders' failure to provide the Information or subject to disclosure of the Information by the Unitholders to the Luxembourg tax authorities. In addition, as the case may be, the Unitholders may redeem Units held such Unitholders.

### **Sustainability disclosures**

Pursuant to EU Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Fund is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into the investment decision making process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of its Sub-Funds.

“Sustainability Risks” means an environmental, social or governance (“**ESG**”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund.

“Sustainability Factors” means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Environmental factors may include, but are not limited to, the impact of emissions, energy efficiency, the exploitation of natural resources or waste treatment. Social factors may include human rights, treatment of workers and workers’ rights or diversity issues. Governance factors may include shareholder rights, remuneration of senior management, conflicts of interest or board independence.

The Management Company, in consultation with the Investment Manager if any, integrates in its investment process the identification, measurement, and management of sustainability risks.

The Management Company identifies the different sources of sustainability risk and translates these into a sustainability risk framework with relevant ESG metrics with the help of both internal and external experts. These insights are subsequently used in the opportunity identification, investment assessment, investment decision making, and portfolio construction process. Furthermore, the Management Company monitors the portfolio with the use of relevant ESG data from specialised external service providers.

The Management Company has incorporated Sustainability Risks into its Risk Management processes.

Please refer to the Management Company’s ESG Policy for more information which may be found at <http://lux.lemanigroup.com/corporate#policies-esg-policy>.

The Management Company has analysed the impact of sustainability risks on the performance of the Fund and considers these to be limited given the nature of the investments and the diversification of the Sub-Funds.

The Management Company considers the principal adverse impact of the investment decision on the Sustainability Factors as detailed in the relevant section of the Sub-Fund annexes.

## **Risk profiles**

The investment funds managed by the Management Company are classified in one of the following risk profiles. The risk profile for each Sub-Fund can be found in the respective Sub-Fund-specific annex. The descriptions of the following profiles have been drawn up under the prerequisite of normally functioning markets. In unforeseen market situations or market disruptions due to non-functioning markets, further risks can occur other than those in the risk profile.

### **Risk profile 1 – Safety-oriented**

The Fund is suitable for safety-oriented investors. Due to the composition of the Sub-Fund’s assets, there is a low overall risk, countered by corresponding income opportunities. The risks can consist in particular of currency, credit standing and Unit price risks, as well as risks that result from the changes in the market interest rate level.

## Risk profile 2 – Conservative

The Fund is suitable for conservative investors. Due to the composition of the Sub-Fund's assets, there is a moderate overall risk, also countered by moderate income opportunities. The risks can consist in particular of currency, credit standing and Unit price risks, as well as risks that result from the changes in the market interest rate level.

## Risk profile 3 – Growth-oriented

The Fund is suitable for growth-oriented investors. Due to the composition of the Sub-Fund's assets, there is a high overall risk, also countered by high income opportunities. The risks can consist in particular of currency, credit standing and Unit price risks, as well as risks that result from the changes in the market interest rate level.

## Risk profile 4 – Speculative

The Fund is suitable for speculative investors. Due to the composition of the net Sub-Fund's assets, there is a very high overall risk, also countered by very high income opportunities. The risks can consist in particular of currency, credit standing and Unit price risks, as well as risks that result from the changes in the market interest rate level.

## **Risk management policy**

The Management Company uses a risk management procedure that makes it possible for it to monitor and measure at any time risk associated with the investment positions and its Unit in the overall risk profile of the investment portfolio of the funds managed by it. In compliance with the 2010 Law and the applicable regulation/circulars of the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), the Management Company regularly reports to the CSSF about the risk management procedures used. During the risk management procedure, the Management Company ensures using expedient and appropriate methods that the overall risk associated with derivatives of the managed funds does not exceed the overall net value of their portfolio. For this, the Management Company uses the following methods:

- **Commitment Approach:**

With the "Commitment Approach" method, the positions from derivative financial instruments are converted into their corresponding basis value equivalents using the delta approach. In the process, netting and hedging effects are taken into account between derivative financial instruments and their basic values. The total of these basis value equivalents may not exceed the total net value of the Fund portfolio.

- **VaR Approach:**

The ratio Value-at-Risk (VaR) is a mathematical and statistical concept and is used as a standard measurement of risk in the financial sector. The VaR indicates the potential loss of a portfolio during a certain period of time (so-called holding period) that is not exceeded with a certain probability (so-called confidence level).

- **Relative VaR Approach:**

With the relative VaR approach, the VaR of the Fund may not exceed the VaR of a reference portfolio by more than a maximum of double. The reference portfolio is fundamentally a correct depiction of the investment policy of the Fund.

- **Absolute VaR Approach:**

With the absolute VaR approach, the VaR (99% confidence level, 20 days holding duration) of the Fund may not exceed a maximum of 20% of the Fund assets.

For funds whose determination of the overall risk associated with derivatives is done through the VaR approaches, the Management Company estimates the expected average value (leverage effect). This degree of leverage effect can deviate from the actual value and be undercut and exceeded, depending on the respective market situations. It is pointed out to the investor that no conclusions may be drawn from this information with regard to the risk content of the Fund. In addition, the published expected degree of leverage effect is explicitly not to be understood as investment limit. The method used to determine the overall risk associated with derivatives and, if applicable, the disclosure of the reference portfolio and the expected average degree of the leverage effect and its calculation method are indicated in the annex specific to the Sub-Fund.

### **Taxation of the Fund**

In the Grand Duchy of Luxembourg, the Fund assets are subject to a tax, the so-called “*taxe d’abonnement*” amounting to currently 0,05% p.a. or 0,01% p.a. for the Sub-Funds or Class(es) of Units issued solely to institutional investors. The *taxe d’abonnement* is payable every quarter on the net assets of the relevant Sub-Fund or category of Units at the end of the quarter. The amount of the *taxe d’abonnement* for the respective Sub-Fund or the Class(es) of Unit is mentioned in the respective annex to the Prospectus. For Sub-Funds whose exclusive policy is the investment in money market instruments or the placing of deposits with credit institutions, or both, qualify for the reduced “*taxe d’abonnement*” of 0,01% per annum. A Sub-Fund may furthermore be exempted of this 0,01% tax if it complies with the requirements of article 175 of the 2010 Law.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the Unitholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded.

### **Taxation of the Unitholders**

Unless a Luxembourg tax liability arises as a consequence of the tax transparency principle depending on the nature of the investments of the Fund, Unitholders are not subject to any capital gains, income or withholding tax in Luxembourg to the extent that they are not domiciled, resident or do not have a permanent establishment in Luxembourg.

The tax treatment of Unitholders resident in Luxembourg or having a permanent establishment in Luxembourg is not clear due to the uncertainties about the practical impacts of the tax transparent nature of the Fund. Such prospective Investors should consult their own professional advisers.

### **Automatic Exchange of Information**

Following the development by the Organization for Economic Co-operation and Development (“OECD”) of a common reporting standard (“CRS”) to achieve a comprehensive and multilateral automatic exchange of information (“**AEOI**”) in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the “**Euro-CRS Directive**”) was adopted on 9 December 2014 in order to implement the CRS among the Member States of the European Union.

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

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Management Company will require the investors of the Fund to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons), in order to arrange for the reporting of account details, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOL.

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

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

#### **FATCA (*Foreign Account Tax Compliance Act*)**

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

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (IGA), and a memorandum of understanding in respect thereof, with the United States of America. The IGA concluded with the United States of America was implemented into Luxembourg law by the law of 24<sup>th</sup> July 2015.

The Fund hence has to comply with such Luxembourg IGA rather than directly complying with the US Treasury Regulations implementing FATCA. As a "Reporting Financial Institution" under the IGA, the Fund may be required to collect information aiming to identify its direct and indirect Unitholders that are Specified US Persons for FATCA purposes (reportable accounts). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America.

The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and to avoid, to the extent possible, being subject to the 30% withholding tax with respect to its Units of any such payments attributable to actual and deemed U.S. investments. The Fund will continually assess the extent of the requirements that FATCA, and notably the Luxembourg IGA, places upon it.

To ensure the Fund's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Unitholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Unitholder's FATCA status;
- report information concerning a Unitholder and his/her/its account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- deduct applicable US withholding taxes from certain payments made to a Unitholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA.

If the Fund, due to lack of FATCA compliance of an investor, is obliged to pay a withholding tax or to submit a report, or suffers other damage, the Fund reserves the right, without prejudice to any other rights, to make claims for damages against the relevant investor.

For questions regarding Taxation in general and FATCA in particular of the Fund, investors and potential investors are advised to consult their financial, tax and/or legal advisor

### **Publication of the Net Asset Value and of the issue and redemption price**

The Net Asset Value per Unit subscription and redemption prices as well as all other information for the investors can be obtained at any time from the registered office of the Management Company, the Administrative Agent, the Depositary, and as applicable distributors and published on every Business Day on [www.wealthfunds.eu](http://www.wealthfunds.eu).

### **Information to the investors**

Information, in particular notifications to the investors, will be published on [www.wealthfunds.eu](http://www.wealthfunds.eu). In addition, notifications will also be published in the RESA and in a Luxembourg newspaper if required by the law. In the countries in which Units are marketed outside of the Grand Duchy of Luxembourg, publication of notifications is also done in the cases envisaged by law in the respectively necessary media.

The following documents are available free of charge for inspection during normal business hours on Business Days at the registered office of the Management Company:

- Articles of association of the Management Company,
- Management Regulations,
- Depositary agreement,
- Paying agency agreement,



- Administrative agency agreement,
- Registrar and transfer agency agreement,
- Investment management agreement, if any;
- the latest annual and half-yearly financial statements.

The current Prospectus, the KIIDs and the annual and semi-annual reports of the Fund can be retrieved free of charge on the website [www.wealthfunds.eu](http://www.wealthfunds.eu). The current Prospectus, the KIIDs and the annual and semi-annual reports of the Fund are available free of charge in a paper version at the registered office of the Management Company, the Depositary, the paying agents and as applicable distributors.

Additional information which the Management Company must make available upon request to investors in accordance with Luxembourg laws and regulations such as Unitholders complaint handling procedures, conflict of interest rules or best execution policy shall be available at the registered office of the Management Company.

Investors can obtain information on the principles and strategies of the Management Company for the exercising of voting rights that originate from the assets held for the Fund free of charge at <http://lux.lemanikgroup.com/corporate#policies-voting-rights> or any updated link available at website [www.wealthfunds.eu](http://www.wealthfunds.eu).

When taking decisions regarding the acquisition or the sale of assets for a Sub-Fund, the Management Company acts in the best interest of the Fund. Information on the principles defined by the Management Company in this regard can be found on the Internet site [www.wealthfunds.eu](http://www.wealthfunds.eu).

Investors can contact the Management Company in writing or by electronic means if they have any questions, comments and complaints. Information on the appeals procedure can be retrieved free of charge at website [www.wealthfunds.eu](http://www.wealthfunds.eu).

Investors can obtain information on the conflicts of interest policy of the Management Company at <http://lux.lemanikgroup.com/corporate#policies-conflict-of-interests> or any updated link available at website [www.wealthfunds.eu](http://www.wealthfunds.eu).

## Annex 1 - Wealth Fund – H2Progressive

### Investment objective and investment strategy

The investment objective of the **Wealth Fund – H2Progressive** (the “**Sub-Fund**”) is the long-term generation of a maximum possible return in EUR.

The performance of the Sub-Fund is indicated in the KIIDs.

**As a fundamental rule, past performances are no guarantees of future performances. No assurance can be given that the investment objective of the Sub-Fund will be reached. The Management Company will only check the investment principles described in the investment policy.**

### Investment policy

Taking into account Article 4 of the Management Regulations, the following provisions apply for the Sub-Fund:

The Sub-Fund fundamentally has the possibility of, depending on market situation and assessment of the fund management, investing without restriction in units, bonds, money market instruments, certificates, other structured products (e.g. unit bonds, option bonds, convertible bonds), target funds and fixed deposits. The certificates are certificates on legally permissible basic values such as: units, bonds, investment fund units, financial indices and foreign currencies.

As a general rule, the investment in liquid funds is restricted to 49% of the Sub-Fund’s net assets, but, depending on the assessment of the market situation, the Sub-Fund’s net assets can also be held without restriction within the boundaries permitted by law (short-term) and thus result in short-term deviations from the aforementioned investment limits.

As at the date of the Prospectus the Sub-Fund does not enter into TRS or SFTs as defined in SFTR. When the Sub-Fund will intend to use them, the Prospectus will then be updated accordingly in accordance with the applicable regulation.

The Management Company considers the adverse effects of investment decisions on Sustainability Factors for the Sub-Fund as defined in Article 7 (2) of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Units in UCITS or other UCIs (“**target funds**”) can be acquired **without restriction** so that the Sub-Fund is not eligible as a target-fund.

The use of derived financial instruments (“**derivatives**”) is envisaged to achieve the aforementioned investment objectives both for investment and hedging purposes. In addition to the option rights, it also includes swaps and futures on all basic values permissible pursuant to the 2010 Law. The use of these derivatives may only take place within the framework of the limits of Article 4 of the Management Regulations. Other information about the techniques and instruments can be found in the chapter “Notes on techniques and instruments” of the Prospectus.

All investments pursuant to Article 4 No. 3 of the Management Regulations are restricted to a total of 10% of the Sub-Fund's net assets.

#### Risk profile 3 – Growth-oriented

The Sub-Fund is suitable for growth-oriented investors. Due to the composition of the Sub-Fund's net assets, there is a high overall risk, also countered by high income opportunities. The risks can consist in particular in currency, credit standing and Unit price risks, as well as risks that result from the changes in the market interest rate level.

#### VaR Approach

The absolute VAR approach is used to monitor and measure the overall risk associated with derivatives.

Unit category:	Professional	Public	Wealth Friends	Public CHF	Institutional
ISIN Code:	LU0939909601	LU0939909783	LU1167296521	LU2190421839	
Security number (Wertpapierkenn- nummer):	A1WZQS	A1WZQT	A14M17	A2P6VP	
Initial subscription period:	9 August 2013	9 August 2013	2 March 2015	8 June 2020	TBC <sup>1</sup>
Initial Subscription Price:	Is based on the Net Asset Value at the aforementioned point in time	100 EUR	100 USD	100 CHF	10 EUR
Payment of the initial issue price:	14 August 2013	14 August 2013	9 March 2015	15 June 2020	TBC <sup>2</sup>
Sub-Fund currency:	EUR				
Class of Units currency:	EUR	EUR	USD	CHF	EUR
Valuation Day:	On every Business Day	On every Busi- ness Day	On every Business Day	On every Business Day	On every Busi- ness Day
Financial year end of the Fund:	30 June				
Annual report/semi- annual report of the Fund:	30 June / 31 December				
Type of Units:	Registered Units are entered in the register of Unitholders.				
Minimum initial in- vestment:	1.000 EUR <sup>3</sup>	1 EUR <sup>1</sup>	1 USD <sup>1</sup>	1 CHF <sup>1</sup>	250.000,- EUR
Savings plans for registered Units that	1.000 EUR <sup>1</sup>	25 EUR <sup>1</sup>	25 USD <sup>1</sup>	25 CHF <sup>1</sup>	N/A

<sup>1</sup> To be determined by the Management Company at launching

<sup>2</sup> To be determined by the Management Company at launching

<sup>3</sup> The acceptance of a lower minimum initial investment total is at the discretion of the Management Company.

are kept in the register of Unitholders, monthly from:					
Withdrawal plans for registered Units that are kept in the register of Unitholders, monthly from: (from a saved amount of EUR 5.000,00)	2.000 EUR	200 EUR	200 USD	200 CHF	N/A
Savings plans for registered Units that are kept in the bank securities account:	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	N/A
Taxe d'abonnement:	0,05% p.a.				

Expected amount of the leverage of the Sub-Fund: 200% of the NAV.

The Sub-Fund is set up for an indefinite period of time.

#### **Classes of Units of the Sub-Fund**

The above Classes of Units are issued for the Sub-Fund. The investment policy is identical for these Classes of Units. Differences exist e.g. in the amount of the minimum initial investment sum and the fee structure. The "Public", "Public CHF" and "Wealth Friends" Classes of Units are used as part of retail sales concepts and differ in the currency of the units; the Class of Units "Professional" is primarily used in the Higher Affluent sector (i.e. retail clients with higher regular income and/or wealth). The Institutional Share Class is intended in particular for institutional and professional investors and equivalent counterparties.

#### **Costs that are reimbursed from the Sub-Fund assets:**

##### **a) Management fees**

For the management of the Sub-Fund, the Management Company will receive a remuneration of up to 0,15% p.a. of the NAV, with a minimum fee of up to EUR 22.000,00 and which can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linking). The remuneration of the Management Company is based on the consumer price index of 756,282.

For the fulfilment of its tasks as investment manager, the Management Company will receive from the Sub-Fund a remuneration of up to 1,45% p.a. of the net assets for the Class of Units "Professional", up to 2,05% p.a. of the net assets for the Class of Units "Public" and "Public CHF" and "Wealth Friends" and up to 0.7% p.a. of the net assets for the "Institutional" Class of Units. The remuneration will be calculated and paid out in arrears monthly on the basis of the average net assets of the relevant month. It is exclusive of any VAT

The remuneration will be paid out in arrears monthly on the basis of the average Sub-Fund's net assets during a month. This remuneration is exclusive of any VAT.

#### **b) Central Administration fees**

Apart from that and besides the fees described in Article 11 of the Management Regulation the remuneration of the Administrative Agent amounting to maximum 0,095% p.a. of the Net Asset Value per Sub-Fund with a minimum of EUR 1.916,67 p.a. will be paid directly out of the Sub-Fund's assets.

A registrar and transfer agent fee in accordance with usual banking practice in Luxembourg shall be paid directly out of the Sub-Fund's assets, in accordance with the contract agreed between the Management Company of the Fund and the Registrar and Transfer Agent.

#### **c) Performance Fee**

In addition, the Management Company will receive a performance-based additional remuneration ("**Performance Fee**") in the amount of up to 20% of any excess increase in the Net Asset Value. The Performance Fee is calculating net of all costs (after deduction of expenses, liabilities, relevant fees and distributions) applicable to each Class of Units in issue at the end of each calendar month, subject to the "High Watermark".

$$\begin{aligned} & \text{Out performance of the HWM} * 20\% \\ & = (\text{Net Asset Value per Unit} - \text{HWM}) * 20\% \\ & = (112 - 100) * 20\% = 2.4 \end{aligned}$$

The High Watermark is the highest of (i) the initial issue price per Unit and (ii) the highest NAV per Unit at the end of a month during which a Performance Fee was payable. In case the NAV falls below the latest High Watermark, no Performance Fee shall be paid and it should exceed the HWM to become payable again.

The Performance Fee will be calculated daily, starting at the beginning of each month, in respect of each calendar month. The Performance Fee should be accrued on daily basis and based on the number of Units of the day. The Performance Fee becomes payable at each month end provided that the NAV per Unit at the end of the month exceeds the HWM. In case of a subscription during the reference period, these will not be taken into account while calculating the fund performance. Therefore, the Performance Fee could be calculated on a single investor basis

The performance reference period is equal to the whole life of the Fund.

On the Valuation Days on which the Unit NAV exceeds the applicable high watermark, the accrued total amount changes according to the method depicted above.

The calculation period shall start on the first and terminate on the last valuation date of each following calendar month. The amount calculated on the last valuation date of the calculation period can, if a performance fee exists that can be paid out, be taken from the Fund at the end of the month for the account of the respective Unit category and be paid to the Management Company within 10 days after each month end.

The Performance Fee calculation will also consider crystallization. The crystallization is on a monthly basis as the Fund uses a HWM model. If Units are redeemed during the month, the fraction of the provisioned Performance Fee that corresponds to the total amount redeemed shall be crystallized at the redemption date, regardless the subsequent performance of the Sub-Fund. The Performance Fee may also be crystallized in case of merger or liquidation of the Sub-Fund provided that its crystallization is not contrary to investors' best interest. In case of a liquidation/merger of funds, performance fees, if any, should crystallise in due proportions on the date of the liquidation merger. In case of merger of funds, the crystallisation of the Performance Fee of the merging fund should be authorised subject to the best interest of investors of both merging and receiving fund.

These remunerations are exclusive of any VAT.

Below is an example of the Performance Fee that would hypothetically accrue over a 9 month period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Reference Period (Monthly)	Month End NAV per Unit before PF	High Water-mark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*20%	Month End NAV per Unit Post PF
1	110	100	Y	2	108
2	115,00	108,00	Y	1,4	113,6
3	112,00	113,60	N	-0	112
4	110,00	113,60	N	-0	110
5	108,00	113,60	N	-0	108
6	111,00	113,60	N	-0	111
7	116,00	113,60	Y	0,48	115,52
8	113,00	115,52	N	0	113
9	110,00	115,52	N	-0	110

#### **d) Depositary remuneration**

For the fulfilment of its tasks and in accordance with usual practice in Luxembourg the Depositary will receive a remuneration of up to 0,05% p.a. of the NAV of the Sub-Fund calculated on the average net assets of the Sub-Fund and payable monthly, with a minimum fee of EUR 7.500,00 p.a. per Sub-Fund). Due to enhanced supervisory duties under UCITS V, the Depositary will be entitled to a supplementary supervisory fee of 0,005% p.a. of the net assets of the Sub-Fund, with an annual minimum of EUR 2.500,00 p.a. per Sub-Fund. It is exclusive of any VAT, as well as appropriate expenses and charges that are invoiced to the Depositary by correspondence banks or other representatives (including those of clearing offices).

#### **e) Distributor remuneration**

The Global Distributor will receive a monthly remuneration amounting to EUR 3,75 for each investor brokered by it. This remuneration will be paid out subsequently on the last day of the month

and allocated in equal parts to the net assets of the Sub-Fund and can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linked). It is exclusive of any VAT.

**f) Other costs**

In addition, the costs listed in Article 11 of the Management Regulations can be charged to the Sub-Fund.

**Costs that are to be borne by the investors**

Subscription fee (in favour of the respective intermediary)	Up to 6%
Redemption fee:	None
Conversion commission:	None

**Use of the income**

The income of the Sub-Fund is retained.

## Annex 2 - Wealth Fund – H2Conservative

### Investment objective and investment strategy

The investment objective of the **Wealth Fund – H2Conservative** (“Sub-Fund”) is the long-term generation of a maximum possible return in EURO.

The performance of the Sub-Fund is indicated in the KIIDs.

**As a fundamental rule, past performances are no guarantee of future performances. No assurance can be given that the goals of the investment policy will be reached. The Management Company will only check the investment principles described in the investment policy.**

### Investment policy

Taking into account Article 4 of the Management Regulations, the following provisions apply for the Sub-Fund:

The Sub-Fund fundamentally has the possibility of, depending on market situation and assessment of the Fund management, investing without restriction in bonds, money market instruments, certificates, other structured products (e.g. share bonds, option bonds, convertible bonds), target funds and fixed deposits. The certificates are certificates on legally permissible basic values such as: bonds, investment fund units, financial indices and foreign currencies.

In its investment in shares, certificates on shares, share (index) derivatives and stock funds, the Sub-Fund is restricted to a maximum of 30% of the net Sub-Fund assets.

As a general rule, the investment in liquid funds is restricted to 49% of the net Sub-Fund assets, but, depending on the assessment of the market situation, the net Sub-Fund assets can also be held without restriction within the boundaries permitted by law (short-term) and thus result in short-term deviations from the aforementioned investment limits.

As at the date of the Prospectus the Sub-Fund does not enter into TRS or SFTs as defined in SFTR. When the Sub-Fund will intend to use them, the Prospectus will then be updated accordingly in accordance with the applicable regulation.

The Management Company considers the adverse effects of investment decisions on Sustainability Factors for the Sub-Fund as defined in Article 7 (2) of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Shares in UCITS or other UCIs (“**target funds**”) can be acquired **without restriction** so that the Sub-Fund is not **target-fund-compatible**.

The use of derived financial instruments (“**derivatives**”) is envisaged to achieve the aforementioned investment goals both for investment and hedging purposes. In addition to the option rights, it also includes swaps and futures on all basic values permissible pursuant to the 2010 Law. The



use of these derivatives may only take place within the framework of the limits of Article 4 of the Management Regulations. Other information about the techniques and instruments can be found in the chapter “Notes on techniques and instruments” of the Prospectus.

All investments pursuant to Article 4 No. 3 of the Management Regulations are restricted to 10% of the Sub-Fund’s net assets.

#### Risk profile 2 – Conservative

The Fund is suitable for conservative investors. Due to the composition of the net Sub-Fund assets, there is a moderate overall risk, also countered by moderate income opportunities. The risks can consist in particular of currency, credit standing and share price risks, as well as risks that result from the changes in the market interest rate level.

#### Commitment Approach

The commitment approach is used to monitor and measure the overall risk associated with derivatives.

Unit category:	Professional	Public	Wealth Friends	Public CHF	Institutional
ISIN Code:	LU0939909866	LU0939909940	LU1167302279	LU2190421912	
Security number (Wertpapierkennnummer):	A1WZQU	A1WZQV	A14M18	A2P6VQ	
Initial subscription period:	9 August 2013	9 August 2013	2 March 2015	8 June 2020	TBC <sup>1</sup>
Initial Subscription Price	Is based on the net asset value at the aforementioned point in time	100 EUR	100 USD	100 CHF	10 EUR
Payment of the initial issue price:	14 August 2013	14 August 2013	9 March 2015	15 June 2020	TBC <sup>2</sup>
Sub-Fund currency:	EUR				
Unit category currency:	EUR	EUR	USD	CHF	EUR
Valuation Day:	On every Business Day	On every Business Day	On every Business Day	On every Business Day	On every Business Day
Financial year end of the Fund:	30 June				
Annual report/semi-annual report of the Fund:	30 June / 31 December				
Type of Units:	Registered Units are entered in the register of Unitholders				
Minimum initial investment:	1.000,00 EUR <sup>3</sup>	1,00 EUR <sup>1</sup>	1,00 USD <sup>1</sup>	1,00 CHF <sup>1</sup>	250.000,- EUR
Savings plans for registered shares that are	1.000,00 EUR <sup>1</sup>	25,00 EUR <sup>1</sup>	25,00 USD <sup>1</sup>	25,00 CHF <sup>1</sup>	N/A

<sup>1</sup> To be determined by the Management Company at launching

<sup>2</sup> To be determined by the Management Company at launching

<sup>3</sup> The acceptance of a lower minimum initial investment total is at the discretion of the management company.

kept in the register of Unitholders, monthly from:					
Withdrawal plans for registered shares that are kept in the register of shareholders, monthly from: (from a saved amount of EUR 5.000,00)	2.000,00 EUR	200,00 EUR	200,00 EUR	200 CHF	N/A
Savings plans for registered shares that are kept in the bank securities account:	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	N/A
Subscription Tax :	0,05% p.a.				

The Sub-Fund is set up for an indefinite period of time.

### Unit categories of the Sub-Fund

The Unit categories “Professional”, “Public”, “Public CHF” and “Wealth Friends” are issued for the Sub-Fund. The investment policy is identical for these Unit categories. Differences exist e.g. in the amount of the minimum initial investment sum and the fee structure. The “Public”, “Public CHF” and “Wealth Friends” Unit categories are used as part of retail sales concepts and differ in the currency of the units; the Unit category “Professional” is primarily used in the Higher Affluent sector (i.e. retail clients with higher regular income and/or wealth). The Institutional Share Class is intended in particular for institutional and professional investors and equivalent counterparties.

### Costs that are reimbursed from the Sub-Fund assets:

#### (1) Management fees

For the management of the Sub-Fund, the Management Company will receive a remuneration of up to 0,15% p.a. of the net assets of the Sub-Fund, whereby a minimum fee of up to EUR 22.000,00 will be charged and which can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linking). The remuneration of the Management Company is based on the consumer price index of 756,282.

For the fulfilment of its tasks as investment manager, the Management Company will receive a remuneration of up to 1,45% p.a. of the net assets for the Unit category “Professional”, in the amount of up to 2,05% p.a. of the net assets for the Unit category “Public”, “Public CHF” and “Wealth Friends” and up to 0.7% p.a. of the net assets for the “Institutional” Class of Units. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets of the relevant month. It is exclusive of any VAT.

The remuneration will be paid out in arrears monthly on the basis of the average Sub-Fund’s net assets during a month. This remuneration is exclusive of any VAT.

#### (2) Central Administration fees

Apart from that and besides the fees described in Article 11 of the Management Regulation the remuneration of the Administrative Agent amounting to maximum 0,095% p.a. of the Net Asset Value per Sub-Fund with a minimum of EUR 1.916,67 p.a. will be paid directly out of the Sub-Fund's assets.

A registrar and transfer agent fee in accordance with usual banking practice in Luxembourg shall be paid directly out of the Sub-Fund's assets, in accordance with the contract agreed between the Management Company of the Fund and the Registrar and Transfer Agent.

### **(3) Performance fee**

In addition, the Management Company will receive a performance-based additional remuneration ("performance fee") in the amount of up to 20% of any excess increase in the Net Asset Value. The Performance Fee is calculating net of all costs (after deduction of expenses, liabilities, relevant fees and distributions) applicable to each Class of Units in issue at the end of each calendar month, subject to the "High Watermark".

$$\begin{aligned} & \text{Out performance of the HWM} * 20\% \\ & = (\text{Net Asset Value per Unit} - \text{HWM}) * 20\% \\ & = (112 - 100) * 20\% = 2.4 \end{aligned}$$

The High Watermark is the highest of (i) the initial issue price per Unit and (ii) the highest NAV per Unit at the end of a month during which a Performance Fee was payable. In case the NAV falls below the latest High Watermark, no Performance Fee shall be paid and it should exceed the HWM to become payable again.

The Performance Fee will be calculated daily, starting at the beginning of each month, in respect of each calendar month. The Performance Fee should be accrued on daily basis and based on the number of Units of the day. The Performance Fee becomes payable at each month end provided that the NAV per Unit at the end of the month exceeds the HWM. In case of a subscription during the reference period, these will not be taken into account while calculating the Fund performance. Therefore, the Performance Fee could be calculated on a single investor basis.

The performance reference period is equal to the whole life of the Fund.

On the valuation dates on which the current net asset value exceeds the high watermark, the accrued total amount changes according to the method depicted above.

The calculation period shall start on the first and terminate on the last valuation date of each following calendar month. The amount calculated on the last valuation date of the calculation period can, if a performance fee exists that can be paid out, be taken from the Fund at the end of the month for the account of the respective Unit category and be paid to the Management Company within 10 days after each month end.

The Performance Fee calculation will also take into consider crystallization. The crystallization is on a monthly basis as the Fund uses a HWM model. If Units are redeemed during the month, the

fraction of the provisioned Performance Fee that corresponds to the total amount redeemed shall be crystallized at the redemption date, regardless the subsequent performance of the Sub-Fund. The Performance Fee may also be crystallized in case of merger or liquidation of the Sub-Fund provided that its crystallization is not contrary to investors' best interest. In case of a liquidation/merger of funds, the Performance Fee, if any, should crystallise in due proportions on the date of the liquidation merger. In case of merger of funds, the crystallisation of the Performance Fee of the merging fund should be authorised subject to the best interest of investors of both merging and receiving fund.

These remunerations are exclusive of any VAT.

Below is an example of the Performance Fee that would hypothetically accrue over a 9 month period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Reference Period (Monthly)	Month End NAV per Unit before PF	High Water-mark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*20%	Month End NAV per Unit Post PF
1	110	100	Y	2	108
2	115,00	108,00	Y	1,4	113,6
3	112,00	113,60	N	-0	112
4	110,00	113,60	N	-0	110
5	108,00	113,60	N	-0	108
6	111,00	113,60	N	-0	111
7	116,00	113,60	Y	0,48	115,52
8	113,00	115,52	N	0	113
9	110,00	115,52	N	-0	110

#### **(4) Depositary remuneration**

For the fulfilment of its tasks and in accordance with usual practice in Luxembourg the Depositary will receive a remuneration of up to 0,05% p.a. of the net assets of the Sub-Fund calculated on the average net assets of the Sub-Fund per month and payable monthly, whereby a minimum fee which should never exceed EUR 7.500,00 p.a. per Sub-Fund will apply. Due to enhanced supervisory duties under UCITS V, the Depositary will be entitled to a supplementary supervisory fee of 0,005% p.a. of the net assets of the Sub-Fund, with an annual minimum of EUR 2.500,00 p.a. per Sub-Fund. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets during a month. It is exclusive of any VAT, as well as appropriate expenses and fees that are invoiced to the Depositary by correspondence banks or other representatives (including those of clearing offices).

#### **(5) Distributor remuneration**

The Global Distributor will receive a monthly remuneration amounting to EUR 3,75 for each investor brokered by it. This remuneration will be paid out subsequently on the last day of the month and allocated in equal parts to the net assets of the Sub-Fund and can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linked). It is exclusive of any VAT.

## **(6) Other costs**

In addition, the costs listed in Article 11 of the Management Regulations can be charged to the Sub-Fund.

### **Costs that are to be borne by the investors**

Subscription fee: (in favour of the respective broker)	Up to 6%
Redemption fee:	None
Conversion commission: (based on the net asset value of the Units to be acquired, in favour of the respective broker)	None

### **Use of the income**

The income of the Sub-Fund is retained.

### Annex 3 - Wealth Fund – H2Time4Life

#### Investment goals and investment strategy

The investment objective of the **Wealth Fund – H2Time4Life** (“Sub-Fund”) is the long-term generation of a maximum possible return in EURO for the flexible and long-term development of pension capital.

The performance of the respective subscription certificate categories of the Sub-Fund will be indicated in the corresponding KIIDs.

**As a fundamental rule, past performances are no guarantee of future performances. No assurance can be given that the goals of the investment policy will be reached. The Management Company will only check the investment principles described in the investment policy.**

#### Investment policy

Taking into account Article 4 of the Management Regulations, the following provisions apply for the Sub-Fund:

To reach the investment goals, the Sub-Fund will invest predominantly, but at least 80%, in the following assets:

- 1) Debentures of issuers with their registered office in a Member State of the European Communities if the debentures are approved for official trade at a stock exchange in the European Community or are included in another organised market in a Member State of the European Communities that is recognised and is open for the public and whose functioning is proper and correct. Securities pursuant to Clause 1, whose approval for official trading at a stock exchange in the European Community or their inclusion in an organised market in a Member State of the European Communities is to be requested pursuant to the terms and conditions of issue may also be acquired if the approval or inclusion is done within one year after their issue; debentures and other securities certifying creditor rights from issuers with their registered office in a Member State of the European Communities if for the redemption of the receivable there is a guarantee under public law or a hedging organisation of the banking industry vouches for the redemption of the receivable or special cover assets exist by law;
- 2) Liquid funds, fixed deposits and money market instruments in the form of deposits against:
  - a) Regional authorities or partnerships under public law or special assets from the territory of the European Communities,
  - b) people and companies under private law from the territory of the European Communities if an organisation under public law assumes the guarantee for repayment and interest payment for the receivables or if in the case of banking institutes a hedging organisation of the credit industry enters into the guarantee;
- 3) Shares in UCITS or other UCIs can be acquired without restriction other than complying with the investment policy of the Sub-Fund and with the 2010 Law.

The Sub-Fund will not invest in target funds that are subject to management fees of more than 3%.

In addition, the Sub-Fund assets can invest up to 20% solely in shares and stock funds, whereby only investments in shares of companies with their registered office in a Member State of the European Community may be made that are approved for official trading at a stock exchange in the European Community. The same restriction applies for investment in stock funds, whereby the stock fund must be issued in a Member State of the European Community and its assets, plus its shares, may only be invested in accordance with the previous paragraph.

As at the date of the Prospectus the Sub-Fund does not enter into TRS or SFTs as defined in SFTR. When the Sub-Fund will intend to use them, the Prospectus will then be updated accordingly in accordance with the applicable regulation.

The Management Company considers the adverse effects of investment decisions on Sustainability Factors for the Sub-Fund as defined in Article 7 (2) of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

4) Investment in the aforementioned assets must fundamentally be done in Euros. If the investment is not done in Euros but in a currency of another Member State of the European Union, share price hedging transactions must be made.

#### Risk profile 2 – Conservative

The Fund is suitable for conservative investors. Due to the composition of the net Sub-Fund assets, there is a moderate overall risk, also countered by moderate income opportunities. The risks can consist in particular of currency, credit standing and share price risks, as well as risks that result from the changes in the market interest rate level.

#### Commitment Approach

The commitment approach is used to monitor and measure the overall risk associated with derivatives.

Unit category:	Professional	Public	Wealth Friends	Public CHF
ISIN Code:	LU0939910104	LU0939910013	LU1167304994	LU2190422050
Security number (Wertpapierkenn- nummer):	A1WZQX	A1WZQW	A14M19	A2P6VR
Initial subscription period:	9 August 2013	9 August 2013	2 March 2015	8 June 2020
Initial Subscription Price:	Is based on the Net Asset Value at the aforementioned point in time	100 EUR	100 USD	100 CHF
Payment of the initial issue price:	14 August 2013	14 August 2013	9 March 2015	15 June 2020
Sub-Fund currency:	EUR	EUR	EUR	EUR

Class of Units currency:	EUR	EUR	USD	CHF
Valuation Day:	On every Business Day	On every Business Day	On every Business Day	On every Business Day
Financial year end of the Fund:	30 June	30 June	30 June	30 June
Annual report/semi-annual report of the Fund:	30 June / 31 December	30 June / 31 December	30 June / 31 December	30 June / 31 December
Type of Units:	Registered Units are entered in the register of Unitholders.	Registered Units are entered in the register of Unitholders.	Registered Units are entered in the register of Unitholders.	Registered Units are entered in the register of Unitholders.
Minimum initial investment:	1.000 EUR <sup>1</sup>	25 EUR <sup>1</sup>	25 USD <sup>1</sup>	25 CHF <sup>1</sup>
Savings plans for registered Units that are kept in the register of Unitholders, monthly from:	1.000 EUR <sup>1</sup>	25 EUR <sup>1</sup>	25 USD <sup>1</sup>	25 CHF <sup>1</sup>
Withdrawal plans for registered Units that are kept in the register of Unitholders, monthly from: (from a saved amount of EUR 5.000,00)	2.000 EUR	200 EUR	200 USD	200 CHF
Savings plans for registered Units that are kept in the bank securities account:	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account	Information can be obtained from the institution where you hold your securities account
Taxe d'abonnement:	0,05% p.a.	0,05% p.a.	0,05% p.a.	0,05% p.a.

The Sub-Fund is set up for an indefinite period of time.

### Unit categories of the sub fund

The unit categories “Professional”, “Public”, “Public CHF” and “Wealth Friends” are issued for the sub fund. The investment policy is identical for these unit categories. Differences exist e.g. in the amount of the minimum initial investment sum and the fee structure. The “Public”, “Public CHF” and “Wealth Friends” unit categories are used as part of retail sales concepts; the unit category

<sup>1</sup> The acceptance of a lower minimum initial investment total is at the discretion of the Management Company.



“Professional” is primarily used in the Higher Affluent sector (i.e. retail clients with higher regular income and/or wealth).

#### **Costs that are reimbursed from the Sub-Fund assets:**

##### **1) Management fees**

For the management of the Sub-Fund, the Management Company will receive a remuneration of up to 0,15% p.a. of the net assets of the Sub-Fund, whereby a minimum fee of up to EUR 22.000,00 will be charged and which can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linking). The remuneration of the Management Company is based on the consumer price index of 756,282.

For the fulfilment of its tasks as investment manager from the net assets, the Management Company will receive from the Sub-Fund a remuneration of up to 1,45% p.a. of the net assets for the Unit category “Professional”, in the amount of up to 2.05% p.a. of the net assets for the Unit category “Public”, “Public CHF” and “Wealth Friends”. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets of the relevant month. It is exclusive of any VAT.

The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average Sub-Fund’s net assets during a month. This remuneration is exclusive of any VAT.

##### **2) Central Administration fees**

Apart from that and besides the fees described in Article 11 of the Management Regulation the remuneration of the Administrative Agent amounting to maximum of 0,095% p.a. of the Net Asset Value per Sub-Fund with a minimum of EUR 1.916,67 p.a. will be paid directly out of the Sub-Fund’s assets.

A registrar and transfer agent fee in accordance with usual banking practice in Luxembourg shall be paid directly out of the Sub-Fund’s assets, in accordance with the contract agreed between the Management Company of the Fund and the Registrar and Transfer Agent.

##### **3) Depositary remuneration**

For the fulfilment of its tasks and in accordance with usual practice in Luxembourg the Depositary will receive a remuneration of up to 0,05% p.a. of the net assets of the Sub-Fund calculated on the average net assets of the Sub-Fund per month and payable monthly, whereby a minimum fee which should never exceed EUR 7.500,00 p.a. per Sub-Fund will apply. Due to enhanced supervisory duties under UCITS V, the Depositary will be entitled to a supplementary supervisory fee of 0,005% p.a. of the net assets of the Sub-Fund, with an annual minimum of EUR 2.500,00 p.a. per Sub-Fund. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets during a month. It is exclusive of any VAT, as well as appropriate expenses and fees that are invoiced to the Depositary by correspondence banks or other representatives (including those of clearing offices).

##### **4) Distributor remuneration**

The Global Distributor will receive a monthly remuneration amounting to EUR 3,75 for each investor brokered by it. This remuneration will be paid out subsequently on the last day of the month and allocated in equal parts to the net assets of the Sub-Fund and can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linked). It is exclusive of any VAT.

## **5) Other costs**

In addition, the costs listed in Article 11 of the Management Regulations can be charged to the Sub-Funds.

### **Costs that are to be borne by the investors**

Subscription fee: (in favour of the respective broker)	Up to 6%
Redemption fee:	None
Conversion commission: (based on the net asset value of the Units to be acquired, in favour of the respective broker)	None

### **Use of the income**

The income of the Sub-Fund is retained.

## Annex 4 - Wealth Fund – World Class Brands

### Investment goals and investment strategy

The goal of the investment policy of the **Wealth Fund - World Class Brands** (“Sub-Fund”) is to generate an appropriate increase in value in the Sub-Fund currency, taking account of the criteria value stability, capital yield, liquidity of the Sub-Fund assets and the investment risk.

The performance of the respective subscription certificate categories of the Sub-Fund will be indicated in the corresponding KIIDs.

**As a fundamental rule, past performances are no guarantee of future performances. No assurance can be given that the goals of the investment policy will be reached. The Management Company will only check the investment principles described in the investment policy.**

### Investment policy

Taking into account Article 4 of the Management Regulations, the following provisions apply for the Sub-Fund:

The Sub-Fund fundamentally has the possibility of, depending on market situation and assessment of the Fund management, investing without restriction in shares, bonds, money market instruments, certificates, other structured products (e.g. share bonds, option bonds, convertible bonds), target funds and fixed deposits. The certificates are certificates on legally permissible basic values such as: shares, bonds, investment fund units, financial indices and foreign currencies.

As a general rule, the investment in liquid funds is restricted to 49% of the Sub-Fund’s net assets, but, depending on the assessment of the market situation, the net assets can also be held without restriction within the boundaries permitted by law (short-term) and thus result in short-term deviations from the aforementioned investment limits.

As at the date of the Prospectus the Sub-Fund does not enter into TRS or SFTs as defined in SFTR. When the Sub-Fund will intend to use them, the Prospectus will then be updated accordingly in accordance with the applicable regulation.

The Management Company considers the adverse effects of investment decisions on Sustainability Factors for the Sub-Fund as defined in Article 7 (2) of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The use of derived financial instruments (“**derivatives**”) is envisaged to achieve the aforementioned investment goals both for investment and hedging purposes. In addition to the option rights, it also includes swaps and futures on all basic values permissible pursuant to the 2010 Law. The use of these derivatives may only take place within the framework of the limits of Article 4 of the Management Regulations. Other information about the techniques and instruments can be found in the chapter “Notes on techniques and instruments” of the Prospectus.

All investments pursuant to Article 4 No. 3 of the Management Regulations are

Restricted to a total of 10% of the Sub-Fund's net assets.

Risk profile 3 – Growth-oriented

The Fund is suitable for growth-oriented investors. Due to the composition of the Sub-Fund's assets, there is a high overall risk, also countered by high income opportunities. The risks can consist in particular of currency, credit standing and share price risks, as well as risks that result from the changes in the market interest rate level.

VaR Approach

The absolute VAR approach is used to monitor and measure the overall risk associated with derivatives.

Expected amount of the leverage of the Sub-Fund: 200% of the net inventory value.

Unit category:	Professional	XIBERG EUR edition	Public	Wealth Friends	Public CHF	Institutional
ISIN Code:	LU0939910443	LU0939910369	LU0939910286	LU1167307666	LU2190422134	LU2338904720
Security num- (Wertpapier- kennnummer):	A1WZQ0	A1WZQZ	A1WZQY	A14M2A	A2P6VN	
Initial subscrip- tion period:	9 August 2013	9 August 2013	9 August 2013	2 March 2015	8 June 2020	28 April – 14 May 2021
Initial Subscrip- tion Price:	Is based on the net asset value at the aforemen- tioned point in time	Is based on the net asset value at the aforemen- tioned point in time	Is based on the net asset value at the aforemen- tioned point in time	Is based on the net asset value at the aforemen- tioned point in time	Is based on the net asset value at the aforemen- tioned point in time	10 EUR
Payment of the initial issue price:	14 August 2013	14 August 2013	14 August 2013	9 March 2015	15 June 2020	20 May 2021
Sub Fund cur- rency:	EUR					
Unit category currency:	EUR	EUR	EUR	USD	CHF	EUR
Valuation Day	On every Business Day	On every Busi- ness Day	On every Busi- ness Day	On every Busi- ness Day	On every Busi- ness Day	On every Busi- ness Day
Financial year end of the Fund:	30 June					
Annual re- port/semi-an- nual report of the Fund:	30 June / 31 December					
Type of Units:	Registered shares are entered in the register of Unitholders					

Minimum initial investment:	100.000 EUR <sup>1</sup>	None	None	None	None	250.000,- EUR
Savings plans for registered shares that are kept in the register of Unitholders, monthly from:	2.000 EUR	25 EUR	25 EUR	25 USD	25 CHF	N/A
Withdrawal plans for registered shares that are kept in the register of Unitholders, monthly from: (from a saved amount of EUR 5.000,00)	2.000 EUR	200 EUR	200 EUR	200 USD	200 CHF	N/A
Taxe d'abonnement:	0,05% p.a.					

The Sub-Fund is set up for an indefinite period of time.

### Unit categories of the Sub-Fund

The Unit categories “Professional”, “XIBERG EUR Edition”, “Public”, “Public CHF” and “Wealth Friends” are issued for the Sub-Fund. The investment policy is identical for these Unit categories. There are differences between the Unit category “Professional” and the Unit categories “XIBERG EUR Edition”, “Public” and “Public CHF”, e.g. in the amount of the minimum initial investment sum and the fee structure. The “Public”, “Public CHF” and “Wealth Friends” Unit categories are used as part of retail sales concepts and differ in the currency of the units; the Unit category “Professional” is primarily used in the Higher Affluent sector (i.e. retail clients with higher regular income and/or wealth). The Unit category “XIBERG EUR Edition” (regional description) is primarily sold in the Austrian federal province of Vorarlberg. The Institutional Share Class is intended in particular for institutional and professional investors and equivalent counterparties.

### Costs that are reimbursed from the Sub-Fund assets:

#### 1. Management fees

For the management of the Sub-Fund, the Management Company will receive a remuneration of up to 0,15% p.a. of the net assets of the Sub-Fund, whereby a minimum fee of up to EUR 22.000,00 will be charged and which can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linking). The remuneration of the Management Company is based on the consumer price index of 756,282.

<sup>1</sup> The acceptance of a lower minimum initial investment total is at the discretion of the management company.

For the fulfilment of its tasks as investment manager, the Management Company will receive from the Sub-Fund a remuneration of up to 1,45% p.a. of the net assets for the Unit category “Professional”, in the amount of up to 2,05% p.a. of the net assets for the for the Class of Units “Public”, “Public CHF” and “Wealth Friends” and up to 0.7% p.a. of the net assets for the “Institutional” Class of Units. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets of the relevant month. It is exclusive of any VAT.

The remuneration will be paid out in arrears monthly on the basis of the average Sub-Fund’s net assets during a month. This remuneration is exclusive of any VAT.

## **2. Central Administration fees**

Apart from that and besides the fees described in Article 11 of the Management Regulation the remuneration of the Administrative Agent amounting to maximum 0,095% p.a. of the Net Asset Value per Sub-Fund with a minimum of EUR 1.916,67 p.a. will be paid directly out of the Sub-Fund’s assets.

A registrar and transfer agent fee in accordance with usual banking practice in Luxembourg shall be paid directly out of the Sub-Fund’s assets, in accordance with the contract agreed between the Management Company of the Fund and the Registrar and Transfer Agent.

## **3. Performance fee**

In addition, the Management Company will receive a performance-based additional remuneration (“performance fee”) in the amount of up to 20% of any excess increase in the Net Asset Value. The Performance fees is calculating net of all costs (after deduction of expenses, liabilities, relevant fees and distributions) applicable to each Class of Units in issue at the end of each calendar month, subject to the “High Watermark”.

$$\begin{aligned} & \text{Out performance of the HWM} * 20\% \\ & = (\text{Net Asset Value per Unit} - \text{HWM}) * 20\% \\ & = (112 - 100) * 20\% = 2.4 \end{aligned}$$

The High Watermark is the highest of (i) the initial issue price per Unit and (ii) the highest NAV per Unit at the end of a month during which a Performance Fee was payable. In case the NAV falls below the latest High Watermark, no Performance Fee shall be paid and it should exceed the HWM to become payable again.

The Performance Fee will be calculated daily, starting at the beginning of each month, in respect of each calendar month. The Performance Fee should be accrued on daily basis and based on the number of Units of the day. The Performance Fee becomes payable at each month end provided that the NAV per Unit at the end of the month exceeds the HWM. In case of a subscription during the reference period, these will not be taken into account while calculating the Fund performance. Therefore, the Performance Fee could be calculated on a single investor basis.

The performance reference period is equal to the whole life of the Fund.

On the valuation dates on which the current net asset value exceeds the high watermark, the accrued total amount changes according to the method depicted above.

The calculation period shall start on the first and terminate on the last valuation date of each following calendar month. The amount calculated on the last valuation date of the calculation period can, if a performance fee exists that can be paid out, taken from the Fund at the end of the month for the account of the respective Unit category and be paid to the Management Company within 10 days after each month end.

The Performance Fee calculation will also consider crystallization. The crystallization is on a monthly basis as the Fund uses a HWM model. If Units are redeemed during the month, the fraction of the provisioned Performance Fee that corresponds to the total amount redeemed shall be crystallized at the redemption date, regardless the subsequent performance of the Sub-Fund. The Performance Fee may also be crystallized in case of merger or liquidation of the Sub-Fund provided that its crystallization is not contrary to investors' best interest. In case of a liquidation/merger of funds, the Performance Fee, if any, should crystallise in due proportions on the date of the liquidation merger. In case of merger of funds, the crystallisation of the Performance Fee of the merging fund should be authorised subject to the best interest of investors of both merging and receiving fund.

These remunerations are exclusive of any VAT.

Below is an example of the Performance Fee that would hypothetically accrue over a 9 month period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Refer- ence Pe- riod (Monthly)	Month End NAV per Unit before PF	High Water- mark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*20%	Month End NAV per Unit Post PF
1	110	100	Y	2	108
2	115,00	108,00	Y	1,4	113,6
3	112,00	113,60	N	-0	112
4	110,00	113,60	N	-0	110
5	108,00	113,60	N	-0	108
6	111,00	113,60	N	-0	111
7	116,00	113,60	Y	0,48	115,52
8	113,00	115,52	N	0	113
9	110,00	115,52	N	-0	110

#### 4. Depositary remuneration

For the fulfilment of its tasks and in accordance with usual practice in Luxembourg the Depositary will receive a remuneration of up to 0,05% p.a. of the net assets of the Sub-Fund calculated on the average net assets of the Sub-Fund per month and payable monthly, whereby a minimum fee which should never exceed EUR 7.500,00 p.a. per Sub-Fund will apply. Due to enhanced supervisory duties under UCITS V, the Depositary will be entitled to a supplementary supervisory fee of 0,005% p.a. of the net assets of the Sub-Fund, with an annual minimum of EUR 2.500,00 p.a. per Sub-Fund. The remuneration will be calculated and paid out retrospectively on the last day of the month on the basis of the average net assets during a month. It is exclusive of any VAT,

as well as appropriate expenses and fees that are invoiced to the Depositary by correspondence banks or other representatives (including those of clearing offices).

#### **(7) Distributor remuneration**

The Global Distributor will receive a monthly remuneration amounting to EUR 3,75 for each investor brokered by it. This remuneration will be paid out subsequently on the last day of the month and allocated in equal parts to the net assets of the Sub-Fund and can be adapted to the development of the consumer price index in accordance with the practice prevalent in Luxembourg (index-linked). It is exclusive of any VAT.

#### **5. Other costs**

In addition, the costs listed in Article 11 of the Management Regulations can be charged to the Sub-Fund.

#### **Costs that are to be borne by the investors**

Subscription fee: (in favour of the respective broker)	Up to 6.00%
Redemption fee:	None
Conversion commission: (based on the net asset value of the Units to be acquired, in favour of the respective broker)	None

#### **Use of the income**

The income of the Sub-Fund is retained.



## Management Regulations

RCS K1380

The contractual rights and obligations of the Management Company, the Depositary and of the Unitholder with regard to the Fund are determined according to the following Management Regulations. The Management Regulations entered into force for the first time on 4 May 2012 and were modified as of 16 June 2023 for the last time. The Management Regulations and any future amendments thereto shall be filed with the Luxembourg Register of Commerce and Companies (the “RCS”) and a mention in this respect shall be published with on the Luxembourg Electronic Register of Companies and Associations (*Recueil Electronique des Sociétés et Associations* the “RESA”). The documents may be viewed on the website of the RESA ([www.lbr.lu](http://www.lbr.lu)).

### Article 1 – The Fund

**Wealth Fund** (the “Fund”) is a Luxembourg investment fund organized as a mutual fund (*fonds commun de placement*) composed of transferable securities and other assets that are managed for collective account of joint co-owners (being the “Unitholders” or the “Investors”), taking into account the principle of risk spreading. The Fund consists of one or more Sub-Funds pursuant to Article 181 of the law dated 17 December 2010 on undertakings for collective investment, as amended from time to time (“2010 Law”). The entirety of the Sub-Funds constitutes the Fund. The assets of each Sub-Fund are the joint property of the Unitholders in that Sub-Fund, who shall have equal rights in proportion to the number of Units held by them.

The contractual rights and obligations of the Unitholders, of the Management Company and the Depositary are regulated in these Management Regulations. The Management Regulations and any future amendments thereto shall be filed with the RCS and a mention in this respect shall be published with the RESA. By purchasing a Unit, the investor accepts the Management Regulations and all approved changes thereto.

The Fund's net assets (i.e. the total of all assets less all liabilities of the Fund) must reach EUR 1,250,000.- within six months after approval of the Fund by the CSSF and thereafter may not be less than this amount.

The Management Company is entitled to launch other Sub-Funds at any time. In this case, the prospectus will be modified with the corresponding annex subject to the CSSF's approval. Sub-Funds can be set up for an indefinite period of time.

The assets of each Sub-Fund are segregated from the assets of the Management Company and from the assets of the other Sub-Funds. Each Sub-Fund shall be treated as a separate investment fund as regards the legal relationship between Unitholders. The assets of each Sub-Fund are the co-ownership of the Unitholders in that Sub-Fund, who shall have equal rights in proportion to the number of Units held by them.

The calculation of the net asset value is done separately for each Sub-Fund according to the rules defined in Article 5 of these Management Regulations.

## Article 2 – The Management Company

The Management Company of the Fund is **Lemanik Asset Management S.A.** (the “**Management Company**”), a public limited liability company according to the laws of the Grand Duchy of Luxembourg with its registered office at 106, route d’Arlon, L-8210 Mamer. It was established on 1 September 1993 for an indefinite period of time.

The Management Company is represented by its board of directors. The board of directors can entrust one or more of its members and/or employees of the Management Company with the day-to-day running of the business and other persons with carrying out of management functions and/or of day-to-day investment policy.

The Management Company manages the Fund independently from the Depositary, in its own name but solely in the interest and for the account of the Unitholders in compliance with these Management Regulations.

The Management Company defines the investment policy of the Fund, in accordance with the Article 4 – General provisions of the investment policy and restrictions set forth below. The Management Company is vested with the broadest powers to invest and manage each Sub-Fund within the restrictions set forth in these Management Regulations and in the Prospectus.

The Management Company employs a risk management procedure enabling it to monitor and measure at any time the risk associated with the positions and their contribution to the overall risk profile of the portfolio. If applicable, it will also employ a process for accurate and independent assessment of the value of any OTC derivative instruments. It must regularly notify the Luxembourg supervisory authority in accordance with the procedure defined by the latter for the funds of the types of derivatives in the portfolio, the risks associated with the respective underlying value, the investment limits and the methods used to measure the risks associated with the derivative transactions.

Under its own responsibility and control for the account of the respective Sub-Fund assets, the Management Company can use an investment adviser and/or investment manager.

The investment management function may only be delegated to a company that possess a licence of asset management and following a CSSF’s approval.

The Management Company can also seek advice from an investment committee whose composition is determined by the Management Company.

To fulfil its tasks, the investment adviser can use third parties (private individuals or legal entities) or sub-investment advisers at its own costs and own responsibility and with the prior approval of the Management Company.

The Management Company has established and maintains a remuneration policy as detailed in the prospectus of the Fund.

### Article 3 – The Depositary

The Depositary of the Fund is **QUINTET PRIVATE BANK (EUROPE) S.A.**, a public limited liability company pursuant to the law of the Grand Duchy of Luxembourg with its registered office at 43, Boulevard Royal, L-2449 Luxembourg, which carries out banking business in Luxembourg.

#### Depositary functions

The function of the Depositary is regulated by the 2010 Law, the Depositary Agreement, these Management Regulations and the Prospectus.

As Depositary, Quintet Private Bank (Europe) S.A. will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law. The Depositary will, in accordance with the 2010 Law:

- 1) ensure that the sale, issue, repurchase, redemption and cancellation of Units of the Fund are carried out in accordance with the applicable Luxembourg law and the Management Regulations;
- 2) ensure that the value of the Units of the Fund is calculated in accordance with the applicable Luxembourg law and the Management Regulations;
- 3) carry out the instructions of the Management Company, on behalf of the Fund, unless they conflict with the applicable Luxembourg law or with the Management Regulations;
- 4) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
- 5) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Management Regulations.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of Units of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the Directive 2006/73/EC); and
- c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- i. for financial instruments that may be held in custody, the Depositary shall:
  - o hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - o ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- ii. for other assets, the Depositary shall:
  1. verify the ownership by the Fund of such assets by assessing whether the Fund holds

- the ownership based on information or documents provided by the Management Company and, where available, on external evidence;
2. maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the 2010 Law.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraphs, provided that the conditions set out in the 2010 Law are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the 2010 Law and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on <https://www.quintet.lu/en-LU/Regulatory-affairs> and is made available to investors free of charge upon request.

#### **Conflicts of interests:**

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

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

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible for taking all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Details hereto are available in the Prospectus.

#### **Liability:**

The Depositary shall be liable to the Management Company, the Fund and its investors for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with the 2010 Law. The Depositary shall not be liable if it can prove that the 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.

For other assets, the Depositary shall be liable only in case of negligence or intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

**Termination:**

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

**Article 4 – General provisions of the investment policy and restrictions**

The objective of the Fund is to place its assets in transferable securities and other permitted assets of any kind, in accordance with the 2010 Law, including financial derivative instruments, with the purpose of spreading investment risks and affording its Unitholders the results of the management of its portfolios. The Sub-Fund's specific investment policy is described in the relevant Sub-Fund annex of the Prospectus.

Only assets whose price corresponds to the evaluation criteria of Article 5 of these Management Regulations may be acquired and sold for the respective Sub-Fund.

The general investment principles and investment restrictions apply to all Sub-Funds unless otherwise stated in the relevant Sub-Fund annex.

h) Definitions:

- “Regulated market”

A regulated market is a market for financial instruments pursuant to Article 4 no. 21 of the directive 2014/65/EU of the European Parliament and the Council dated 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

- “Transferable securities”

Transferable securities are deemed to be:

- shares in companies and other securities equivalent to shares in companies (“shares”),
- bonds and other forms of securitized debt (“debt securities”),
- all other negotiable securities which carry the right to acquire such transferable securities by subscription or exchange.

The techniques and instruments named in Article 42 of the 2010 Law are excluded.

c) “Money market instruments”

Money market instruments are instruments that are usually traded on the money market, are liquid and whose value can be precisely determined at any time.

d) “Undertakings for collective investment in transferable securities” (“UCITS”)

With each UCITS that is composed of several Sub-Funds, each Sub-Fund is viewed as its own UCITS for the application of the investment limits.

2. The Fund will acquire only

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
- b) transferable securities and money market instruments dealt in on another Member State of the European Union ("Member State") which is regulated, operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments that are admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public;
- d) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the management regulations or the instruments of incorporation of the UCITS;
  - the admission is secured within one year of issue.

The transferable securities named under 2 c) and d) are officially listed and traded within North America, South America, Australia (including Oceania), Africa, Asia and/or Europe.

- e) Shares in UCITS that have been approved pursuant to the UCITS Directive and/or other undertakings for collective investment ("UCI") pursuant to the letters a) and b) of Article 1 par. 2 of the UCITS Directive, irrespective of whether they are domiciled in a Member State or not, if
  - these UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in "EU law" (law of 21 December 2012), and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway and Liechtenstein);
  - the protection level of the investors in this UCIs is equivalent to the protection level of the investors in an UCITS and in particular the regulations regarding the segregation of assets, the borrowing, the lending and the uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive.
  - the business activity of the UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and the liabilities, the income and the transactions over the reporting period;
  - the UCITS or other UCIs whose shares are to be acquired may invest, according to its terms and conditions of contract or its articles of association a total of a maximum of 10% of its assets in shares of other UCITS or UCIs.
- f) Deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in "EU law".
- g) financial derivative instruments, including equivalent instruments settled in cash, dealt in on a regulated market referred to under paragraphs a), b) or c), and/or financial derivative instruments dealt in ("OTC derivatives") if
  - the underlying are instruments covered by Article 41 par. 1 of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies in which

- the Fund may invest pursuant to the investment objectives stated in these Management Regulations;
  - with transactions with OTC derivatives, the counterparties are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
  - the OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at the Fund's initiative at their fair value;
- money market instruments that are not dealt in on a regulated market and that are covered by Article 1 of the 2010 Law if the issue or the issuer of these instruments is itself regulated for the purpose of protecting savings and investors, and provided that these investments are
  - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country, or in case of a Federal State, by one of the members of the Federation or by a public international body to which one or more Member State belong(s), or
  - are issued by a company whose securities are dealt in on regulated markets referred to under letters a), b) or c) of this article, or
  - are issued or guaranteed by an establishment subject to prudential supervision, in accordance with the criteria defined by the EU law, or by an establishment that is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down in the EU law, or
  - are issued by other bodies belonging to a category approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 3. Whereby, however, up to 10% of the Sub-Fund assets may be invested in transferable securities and money market instruments other than those named under 2 a) to d) and h) of this article.
- 4. Techniques and instruments
  - a) Pursuant to the conditions and restrictions, as are specified by the Luxembourg supervisory authority, the respective Sub-Fund may use techniques and instruments that have securities and money market instruments as their subject if this use takes place with regard to an efficient management of the respective Sub-Fund's net assets. If these transactions refer to the use of derivatives, the conditions and limits must comply with the provisions of the 2010 Law.  
In addition, it is not permitted for the Sub-Fund to deviate from its investment goals defined in the Prospectus when using techniques and instruments.
  - b) The Management Company must ensure that the overall risk associated with derivatives does not exceed the overall net value of its portfolios. The overall risk of the Sub-Fund can consequently be doubled at most as the result of using derivative financial instruments and is thus limited to 200% of the Sub-Fund's net assets ("lev-

erage"). The Management Company uses a risk management procedure that complies with supervisory law requirements in Luxembourg and permits it to monitor and measure at any time the risk associated with the investment positions and their respective share in the overall risk profile of the investment portfolio. The procedure used for the corresponding Sub-Fund to measure the risk and any more specific information are depicted in the respective Sub-Fund annex. As part of its investment policy and within the framework of the limits of Article 43 par. 5 of the 2010 Law, the Fund may invest in derivatives if the overall risk of the basic values does not exceed the investment limits of Article 43 of the 2010 Law. If the Fund invests in index-based derivatives, these investments will not be taken into account in the investment limits of Article 43 of the 2010 Law. If a derivative is embedded in a security or a money market instrument, it must also be taken into account with regard to the compliance with the regulations of Article 42 of the 2010 Law.

c) Securities lending

To generate additional capital or income or to reduce its costs or risks, the respective Sub-Fund may carry out security lending transactions, whereby such transactions must comply with the applicable Luxembourg laws and regulations and the CSSF circulars (among others CSSF 08/356, CSSF 11/512 and CSSF 13/559).

- The respective Sub-Fund may lend securities either directly or within the framework of a standardised securities lending system that is organised by a recognised organisation for securities handling or clearing institutions such as Clearstream and Euroclear or by a first-class financial institute specialised in such transactions, that is subject to supervisory law regulations that are equivalent to the EU provisions in the opinion of the CSSF. The counterparty of the securities lending contract (i.e. the borrower) must in any case be subject to supervisory law provisions that in the opinion of CSSF are equivalent to the EU provisions. The respective Sub-Fund ensures that transferred securities can be taken back at any time within the framework of securities lending and the securities lending transaction entered into can be ended at any time. If the aforementioned financial institute acts for its own account, it is to be seen as the counterparty of the securities lending contract. If the respective Sub-Fund lends its securities to companies who are affiliated with the respective Sub-Fund within the framework of a management or control relationship, attention is to be paid in particular to conflicts of interest that could arise. The respective Sub-Fund must receive a security in compliance with the supervisory law requirements of the counterparty risk and the provision of security beforehand or at the time when the lent securities are transferred. On expiry of the securities lending contract, the back-transfer of the security is done at the same time or following the return of the lent securities. Within the framework of a standardised securities lending system that is organised by a recognised undertaking for securities handling, or a securities lending system that is organised by a financial institute that is subject to supervisory law provisions that is equivalent to EU provisions in the opinion of CSSF, and that is specialised in this type of transaction, the transfer of the lent securities can be done before the receipt of the security if the intermediary ensures that the transaction is executed correctly. Instead of the borrower, this intermediary can provide the Fund with security in compliance with the supervisory law requirements of the counterparty risk and the provision of security.
- The respective Sub-Fund must ensure that the scope of the securities lending transactions is kept at an appropriate level, or must be able to request the return of the lent securities in a type and manner that it is possible for it at any time to meet its



- obligation to redemption and ensure that these transactions do not hinder the management of the assets of the respective Sub-Fund pursuant to its investment policy.
- Based on a standard framework agreement, securities with a value of up to 50% of the value of the respective securities portfolio may be lent for a maximum of 30 days. The securities lending can account for more than 50% of the value of the securities portfolio in the Fund assets and exceed 30 days if the respective fund is given the right to terminate the securities lending contract at any time and to request the return of the securities lent.
- Receipt of an appropriate security:
 

The respective Sub-Fund may include a security in compliance with the requirements named here in order to take the counterparty risk into account with transactions with a right of buyback.

The respective Sub-Fund must carry out a new evaluation of the security received on a daily basis. The contract between the respective Sub-Fund and the counterparty must make provision for terms that require the furnishing of additional security by the counterparty within an extremely short period of time if the value of the security already provided does not prove sufficient in the ratio to the amount to be secured. In addition, this contract may have to make provision for security margins that take the currency or market risks into account that are associated with the assets accepted as security.

Securities that are issued by the security borrower itself or by a company that belongs to the same corporate group are not permissible as security.
- The security is fundamentally:
  1. Liquid funds; the liquid funds not only include cash and short-term bank assets but also money market instruments that are defined in the Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions. A credit note or first-order collateral to be fulfilled that is issued by a first-class credit institution that is not affiliated with the counterparty is equated to the liquid funds.
  2. Debentures that are issued or guaranteed by a Member State of the OECD or its public regional authorities or by supranational organisations and bodies of a community, regional or global nature.
  3. Debentures that are issued or collateralised by first-class issuers that have appropriate liquidity, or
  4. Shares that are listed on the stock exchange or on a regulated market of a Member State of the European Union or are traded on a securities exchange of a country of the OECD if these shares are included in a significant index.
    - The collateral that is not provided in cash form must be issued by a company that is not affiliated with the counterparty.
    - With the securities, an appropriate diversification with regard to countries, markets and issuers is to be ensured. The criterion of appropriate diversification with regard to the issuer concentration is deemed to be met if the UCITS receives a collateral basket from counterparty with efficient portfolio management or with transactions with OTC derivatives in which the maximum exposure to a certain issuer corresponds to 20% of the net asset value. If a UCITS has different counterparties, the different collateral baskets should be aggregated in order to calculate the 20% limit for the exposure to an individual issuer.
    - Non-cash collateral received should not be sold, reinvested or pledged.

- Cash collateral received should only:
    - are invested as sight deposits with legal entities pursuant to Article 50 letter f) of the UCITS directive;
    - invested in high-quality sovereign bonds;
5. Pension transactions
- For the respective Sub-Fund, the Management Company can participate in pension transactions that exist in purchases and sales of securities with which the agreements give the buyer the right or the obligation to buy back the securities sold from the buyer at a price and within a period that was agreed between the two parties when the contract was concluded.
- With pension transactions, the Management Company can act either as a buyer or a seller. However, participation in such transactions is subject to the following guidelines:
- a) Securities regarding a pension transaction may only be bought or sold if the counterparty is a financial institute of the first order that has specialised in this type of transaction.
  - b) During the term of a pension transaction, the securities forming the subject of the contract may not be sold before exercising the right to buy back these securities or before the expiry of the buy-back period.
- It must also be ensured that the scope of the obligations with pension transactions is designed in such a way that the Management Company can meet its obligations to buy back shares at any time for the respective Sub-Fund.
- The Management Company can make suitable plans and with the consent of the Depositary include further investment restrictions that are necessary in order to meet the conditions in those countries in which shares are to be marketed.
6. Risk spreading
- A maximum of 10% of the respective Sub-Fund's net assets may be invested in transferable securities or money market instruments issued by the same body. The Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.
- The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed the following rates:
- 10% of the Sub-Fund's net assets if the counterparty is a credit institution pursuant to Article 41 par. 1 letter f) of the 2010 Law and
  - 5% of the Sub-Fund's net assets in all other cases.
- The total value of the transferable securities and money market instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets may not exceed 40% of the value of its assets. This restriction does not apply to deposits and to OTC derivative transactions made with financial institutions that are subject to prudential supervision.
- Notwithstanding the individual limits laid down above, a UCITS shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
- investments in transferable securities or money market instruments issued by that body;
  - deposits made with that body; or
  - exposures arising from OTC derivative transactions undertaken with that body.

- The investment limit mentioned under 6 a) 1 above of 10% of the Sub-Fund's net assets increases to 35% of the respective net assets in the cases in which the transferable securities or money market instruments to be acquired are issued or guaranteed by a Member State, its public local authorities, a third country or other public international bodies of which one or more Member States belong to.
- The investment limit named under 6 a) 1 of this article may be of a maximum of 25% for certain bonds where they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the law in assets that are capable of covering claims attaching the bonds during the entire period of validity of the bonds and and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.  
If more than 5% of the respective Sub-Fund's assets are invested in bonds referred to above in the first sub-paragraph which are issued by a single issuer, the total value of the investments may not exceed 80% of the assets of that Sub-Fund.
- The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to above b).
- The limits of 10%, 35% and 25% mentioned under paragraph 6 a) to d) may not be combined; thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraphs 1, 2, 3 and 4 shall not exceed in total 35% of the assets of the UCITS.  
Companies which are included in the same group for the purposes of consolidated accounts as defined in accordance with directive 83/349/EEC of the Council dated 13 June 1983 based on Article 54 par. 3 g) of the Treaty on consolidated accounts (OJ L 193 dated 18 July 1983, p. 1) or according to the recognised international accounting rules, are to be seen as one single body for the purpose of calculating the investment limits envisaged in this paragraph 6 a) to f).  
The respective Sub-Fund may cumulatively invest 20% of its assets in transferable securities and money market instruments within the same group.
- Without prejudice to the investment limits defined in Article 48 of the 2010 Law, the Management Company can invest up to 20% of the relevant Sub-Fund's assets in shares and debt securities issued by the same body if the the aim of the UCITS investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
  - a) the composition of the index is sufficiently diversified;
  - b) the index represents an adequate benchmark for the market which it refers to, and
  - c) the index is published in an appropriate manner.
 The aforementioned investment limit increases to 35% where it is justified due to exceptional market circumstances, in particular on regulated markets on which certain transferable securities or money market instruments are highly dominant. The investment up to this limit is permitted only for one single issuer.  
Whether the Management Company makes use of this possibility is mentioned for the respective Sub-Fund in the corresponding annex to the Prospectus.
- **By way of derogation from Article 43 of the 2010 Law, the CSSF may authorize in accordance with the principle of risk spreading, a Sub-Fund to invest up to**

**100% of its assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, an OECD Member State or by public international body to which one or more EU Member States belong. In any case, the Sub-Fund shall hold securities from six different issues, but securities from any single issue may not exceed 30% of the respective Sub-Fund's total assets.**

- No more than 10% of the respective Sub-Fund's assets may be invested in UCITS or UCIs pursuant to Clause 2, letter e) of this article unless otherwise expressly mentioned in the Sub-Fund's specific annex to the Prospectus. If the investment policy of the relevant Sub-Fund allows an investment of more than 10% of the respective Sub-Fund's assets in UCITS or UCIs pursuant to Clause 2, letter e) of this article, the following letters j) and k) apply.
- No more than 20% of the Sub-Fund's assets may be invested in shares of a single UCITS or other UCI referred to in Article 41 par. 1 letter e) of the 2010 Law.. For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments *vis-à-vis* third parties is ensured.
- No more than 30% in aggregate of the assets may be invested in UCIs other than UCITS.. When a UCITS has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Article 43 of the 2010 Law.
- If a UCITS or UCI acquires shares in another UCITS and/or other UCI that are managed directly or by delegation, by the same management company or by a company with which the Management Company is affiliated through a common management or control or a substantial direct or indirect holding (of more than 10% of the capital or of the voting rights), that management company or the other company may not charge subscription fees or redemption fees on account of the Fund's investment in the units/shares of such other UCITS and/or UCI.

Generally, in the acquisition of shares in target funds, there may be an increase in management fees at the level of the target fund and the respective subscription fee and any redemption fees may have to be taken into account. The Fund will therefore not invest in target funds that are subject to management fees of more than 3%. The annual report of the Fund will contain information relating to the respective Sub-Fund on how high the maximum share of the management fees is that the Sub-Funds and the target funds have to pay.

- A Sub-Fund can invest in other Sub-Funds of the Fund. In addition to the conditions already named for investments in target funds, the following conditions apply for an investment in target funds that are also Sub-Funds of the Fund:
  1. Circular investments are not permitted. This means that the target Sub-Fund cannot in turn invest in the Sub-Funds invested in this target Sub-Fund,
  2. The target Sub-Funds that are to be acquired by another Sub-Fund of the Fund may, pursuant to these Management Regulations, invest a maximum of 10% of their respective assets in other target compartments of the same UCI.
  3. Voting rights (if any) attached to the relevant shares are suspended for as long as they are held by the Sub-Fund And without prejudice to the appropriate processing in the accounts and the periodic reports remains unaffected by the provision.

4. In any event, for as long as a Sub-Fund holds shares in another Sub-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 2010 Law.

- It is not permitted for the Management Company to use the UCITS managed by it pursuant to part I of the 2010 Law to acquire a number of shares associated with voting rights that make it possible for it to exercise a notable influence on the management of an issuer.
- Each Sub-Fund of the Fund may acquire:
  1. up to 10% of the shares without voting rights of one and the same issuer,
  2. up to 10% of the issued debentures of one and the same issuer,
  3. no more than 25% of the issued shares of one and the same UCITS and/or UCI and
  4. no more than 10% of the money market instruments of one and the same issuer.
- The investment limits named under No. 6 letters n) and o) do not apply if it involves
  - Transferable securities and money market instruments that are issued or guaranteed by an EU Member State or its regional authorities or by a country that is not a Member State of the European Union;
  - Transferable securities and money market instruments that are issued by an international organisation of a public law nature that one or more EU Member States belong to;
  - Shares that the respective Sub-Fund holds in the capital of a company incorporated in a third country that invests its assets primarily in securities of issuers who are domiciled in this country if such a participation is the only possibility for the respective Sub-Fund due to the legal regulations of this states to invest in securities of issuers from this country. This exceptional regulation, however, only applies under the prerequisite that the company of the country outside of the European Union complies with the thresholds defined in Articles 43, 46 and 48 par. 1 and 2 of the 2010 Law in its investment policy. When the thresholds defined in the Articles 43 and 46 of the 2010 Law are exceeded, Article 49 of the 2010 Law applies accordingly.

#### 7. Liquid funds

The Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of each Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavourable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Unitholders.

#### 8. Bans on loans and encumbrance

- a) The Fund's assets may not be pledged or otherwise encumbered, transferred as collateral or assigned as collateral, unless they are uptakes of loans pursuant to the letter b) below or collateral payments within the framework of handling transactions with financial instruments.

- b) The Fund may only borrow on a temporary basis and up to 10% of the Fund's assets. The Fund may acquire foreign currencies by means of "*Back-to-Back*" loans.
  - c) The Fund may not grant loans or act as guarantor on behalf of third parties. This does not prevent the Fund from acquiring transferable securities, money market instruments or other instruments referred to in Article 41 par. 1 letter e), g) and h) of the 2010 Law not yet fully paid up.
9. Other investment guidelines
- a) Short sales are not permissible.
  - b) The respective Sub-Fund's assets may not be invested in real estate, precious metals or certificates representing such precious metals, precious metal contracts, goods or goods contracts.
  - c) No liabilities may be entered into for the respective Sub-Fund that together with the loans pursuant to no. 8 letter b) of this article exceed 15% of the respective Sub-Fund's net assets.
10. The investment restrictions named in this article refer to the point in time of the acquisition of the transferable securities. If the percentages are exceeded retrospectively due to share price developments or for reasons other than additional purchases, the Management Company will immediately strive for a repatriation in the specified scope, taking into account the interests of the investors.

## **Article 5 – Calculation of net asset value**

The net assets of the Fund are denominated in Euros (EUR) ("**Reference Currency**").

The net asset value of a Unit ("**Net Asset Value**" or "NAV") is in the currency indicated in the respective Sub-Fund's annex unless otherwise indicated for any other Class of Units in the relevant Sub-Fund's annex.

The NAV is calculated by the administrative agent, under the supervision of the Management Company, on each Valuation Day (as such term is defined in the relevant Sub-Fund's annex).

To calculate the NAV, the value of the assets belonging to the respective Sub-Funds, less the liabilities of the respective Sub-Fund will be determined on each Valuation Day and divided by the number of Units in circulation in the respective Sub-Fund on the relevant Valuation Day and rounded to the nearest two decimal places.

If, in accordance with applicable laws or regulations or pursuant to the provisions of these Management Regulations, information has to be given in annual and semi-annual reports and other financial statistics regarding the situation of the Fund assets, the assets of the respective Sub-Funds will be converted into the reference currency.

The Sub-Fund's net assets will be calculated according to the following valuation principles:

- a) Securities that are officially listed on a securities exchange will be valued at the last available price. If a security is officially listed on several security exchanges, the last available price at the exchange that is the main market for this security is decisive.
- b) Securities that are not officially listed on a securities exchange but are traded on a regulated market will be valued at a price that is not lower than the bid rate and not higher than the ask rate at the time of valuation and that the Management Company considers the best possible rate at which the securities can be sold.

- c) OTC derivatives will be valued on a daily basis, using a valuation that is to be determined and can be verified by the Management Company.
- d) UCITS and UCIs will be valued at the last established and available redemption price. If redemption is suspended for investment shares or no redemption prices are determined, these shares will be valued at the respective market rate like all other assets, as the Management Company determines in good faith and according to the generally recognised valuation rules that can be verified by auditors.
- e) If the respective rates are not market-compliant and if no prices have been determined for securities other than those named under letters a) and b), these securities will be valued like the other legally permissible assets at the respective market value, as the Management Company determines in good faith on the basis of the probably achievable market value.
- f) The liquid assets will be valued at their nominal value plus interest.
- g) The market value of securities and other investments that are in a currency other than the respective Sub-Fund currency will be converted into the corresponding Sub-Fund currency at the last average foreign exchange rate. Gains and losses from foreign currency transactions are added or deducted in each case.

The Sub-Fund's net assets will be reduced by the distributions that may have been paid out to the investors of the relevant Sub-Fund.

The calculation of the Net Asset Value is done for each Sub-Fund separately, in accordance with the criteria listed above. If, however, Classes of Units have been issued within a Sub-Fund, the resulting Net Asset Value calculation within the respective Sub-Fund will be done separately for each Class of Units pursuant to the criteria listed above. The composition and allocation of the assets is always done per Sub-Fund.

#### **Article 6 – Suspension of the calculation of the net asset value**

The Management Company is entitled to suspend the calculation of the Net Asset Value temporarily if and as long as circumstances exist that make this suspension necessary and if the suspension is justified, taking into account the interests of the investors. This is in particular the case:

- a) during a time in which a stock exchange or another regulated market on which a substantial portion of the investments is listed or traded, is closed for reasons other than statutory or public holidays, or the trade on this stock exchange or on the corresponding market was suspended or restricted;
- b) during political, economic, military or financial environment or event of *force majeure* preventing the Management Company, on behalf of the Fund, from being able to manage normally the assets or the liabilities of the Fund and preventing the determination of their value in a reasonable manner;
- c) in emergencies if the Management Company cannot dispose over Sub-Fund investments or it is not possible for it to freely transfer the equivalent value of the investment purchases or sales or to conduct the calculation properly;
- d) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange;
- e) where in the opinion of the Management Company, circumstances which are beyond its control make it impracticable or unfair vis-à-vis the Unitholders to continue trading the Units or in any other circumstance or circumstances where a failure to do so might result in the Fund or its Unitholders incurring any liability to taxation or suffering

- other pecuniary disadvantages or other detriment to which the Fund or its Unitholders might not otherwise have suffered; or
- (f) any other circumstance where the Management Company may consider such suspension to be in the interest of the Fund or the Unitholders.

As long as the calculation of the Net Asset Value per Unit is suspended, the issue, redemption and conversion of Units will also be suspended. The temporary suspension of the Net Asset Value calculation of the Units in a Sub-Fund shall have no effect on other Sub-Funds that are not affected by such event.

No Units will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Units, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Units, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Any suspension of the determination of the Net Asset Value will be notified to the CSSF and, if the Units are distributed in other member states of the European Union, to the competent authorities of those member states.

## **Article 7 – Units**

Within each Sub-Fund, the Management Company is entitled to create different classes of Units (“**Class**” or “**Classes**”) whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund and that may be characterised by their distribution policy (distribution or accumulation Units), their reference currency, fee structure or any other characteristic decided by the Management Company. Within a Sub-Fund, all Units of the same Class have equal rights and privileges. All Units participate from their day of issue in the same way in income, Unit price gains and liquidation proceeds of their respective Unit category. If Unit categories are formed for the respective Sub-Funds, this will be mentioned indicating the specific features or rights in the relevant Sub-Fund annex.

The Units in the respective Sub-Funds are issued in registered or bearer form. Registered Units will be entered by the Registrar and Transfer Agent in the Unitholder register kept for the Fund. In this regard, no certificate will be issued but the investors will be sent confirmations regarding their entry in the Unitholder register at the address indicated in the register. Bearer Units may be issued in compliance with the 1915 Law, in particular bearer Units shall be deposited with a custodian appointed by the Management Company on behalf of the Fund. This custodian shall keep a register of bearer Units in Luxembourg, which shall contain the exact name of each Unitholder and an indication of the number of shares or fractions of shares at the date of deposit and any transfers, with the relevant dates, or any conversion of bearer shares into registered ones. The rights attached to bearer Units may only be exercised if the bearer Unit has been deposited with the immobilisation custodian and all the above data entered in the bearer Units’ register.

The Management Company may at its discretion, resolve to divide or consolidate any Class.



## **Article 8 – Issue of Units**

Units are issued on each Valuation Day at the issue price. The issue price is the price corresponding to Net Asset Value of the subscribed Units of the relevant Class, plus a Subscription Fee, if any (calculated on the basis of the subscription amount), as indicated in the relevant Sub-Fund annex. The issue price can increase by fees or other charges that are incurred in the respective sales countries.

Subscription requests for the purchase of registered shares can be submitted to the Management Company, the Registrar and Transfer Agent, any distributor and the paying agents. These receiving offices are obligated to immediately forward the subscription requests to the Registrar and Transfer Agent. Receipt by the Registrar and Transfer Agent is decisive. The latter accepts the subscription requests on behalf of the Management Company.

Subscription requests for the acquisition of bearer shares may be forwarded to the Registrar and Transfer Agent by the custodian keeping the register of bearer Units. Receipt by the Registrar and Transfer Agent is decisive.

Complete subscription request that are received by the Registrar and Transfer Agent by 5 p.m. at the latest on a Valuation Day will be settled at the issue price of the immediately following Valuation Day. The Registrar and Transfer Agent (under the responsibility of the Management Company) will ensure in any case that the issue of Units is settled on the basis of a Net Asset Value unknown to the investor. Subscription requests that are received by the Registrar and Transfer Agent after 5 p.m. on a Valuation Day will be settled at the issue price of the next following Valuation Day.

If the equivalent value of the subscribed registered shares is not available at the time when the complete subscription application is received by the Registrar and Transfer agent or the subscription application is received in erroneous or incomplete form, the subscription application is deemed to have been received by the Registrar and Transfer Agent on the date on which the equivalent value of the subscribed Units is available or the subscription application is complete and correct.

The bearer shares will be transferred by the Depositary on behalf of the Management Company when the issue price is received by the Depositary when they are credited to the custodian keeping the register of bearer Units.

The issue price will be paid out within two Valuation Days after the corresponding Valuation Day in the respective Sub-Fund currency and/or in the case of several Classes of Units is payable in the respective Class(es) of Units at the Depositary in Luxembourg.

The Management Company may reject any subscription in whole or in part, in which case subscription monies paid or the balance thereof, as appropriate, will normally be returned to the subscriber of Units within five (5) Business days thereafter, provided that such subscription monies have been cleared or suspended without prior notice the issue of Units.

In the case of savings plans, a maximum of a third of each payment agreed for the first year will be used to cover costs and the remaining costs will be distributed evenly to all subsequent payments.

## **Article 9 – Redemption and conversion of units**

The investors are entitled to request at any time the redemption of their Units at the Net Asset Value, if applicable less any redemption fee ("redemption price"). This redemption is done only on one valuation date. If a redemption fee is charged, its maximum amount for the respective Sub-Fund is indicated in the respective annex to the Prospectus. In certain countries, the redemption price is reduced by taxes and other charges. The corresponding Unit expires with the payment of the redemption price.

If the equivalent value from the Fund assets is reduced, in particular due to a revocation, the non-redemption of a debit note or for other reasons, the Management Company will take back the respective Units in the Fund's interest. Any differences resulting from the redemption of the Units and that have a negative influence on the Fund assets must be paid by the applicant.

The payment of the redemption price and any other payments to the investors will be done via the Depositary and via the paying agents. The Depositary is only obligated to payment in this regard if no statutory provisions, e.g. regulations under foreign currency law or other circumstances that the Depositary cannot influence, prohibit the transfer of the redemption price to the applicant's country.

The Management Company may compulsorily redeem any Units unilaterally in return for the payment of the redemption price if this appears necessary in the interest of all the investors or for the protection of the investors or of a Sub-Fund, in particular if:

1. it is suspected that market timing, late trading or other market techniques are carried out by the respective Unitholder with the acquisition of the Units that could harm all the investors.
2. the investor does not meet the condition for a purchase of the Units or
3. the Units have been marketed in a country or acquired by a person in such a country in which the Fund is not approved for the marketing or the acquisition of Units to such persons.

The conversion of all Units or part thereof for Units of another Sub-Fund is done on the basis of the Net Asset Value of the respective Sub-Fund, taking into account an Conversion commission in favour of the recipient and in the amount that are indicated in the annex to the respective Sub-Fund, but at least in the amount of the difference of front-load fee of the Sub-Fund of the Units to be converted to the front-load fee of the Sub-Fund in which a conversion is made. If no Conversion commission is charged, this will be mentioned for the respective Sub-Fund in the respective annex to the Prospectus.

If different Unit categories are offered within a Sub-Fund, a conversion of Units of a Unit category in Units of another Unit category within the Sub-Fund can also be done unless otherwise determined in the respective annex to the Prospectus and if the investor meets the requirements named in the annex for a direct investment in this Unit category. No Conversion commission will be charged in these cases.

The Management Company can reject an application for conversion for the respective Sub-Fund if this appears necessary in the interest of the Fund or of the Sub-Fund or in the interest of the investors.

Complete redemption orders or conversion requests for the redemption or the conversion of registered shares can be submitted to the Registrar and Transfer agent, the distributor and the paying agents. These receiving offices are obligated to forward the redemption requests or conversion requests immediately to the registrar and transfer agent.

A redemption order or a conversion request for the redemption and/or conversion of registered shares is complete if it states the name and the address of the investor, as well as the number and/or the equivalent value of the Units to be returned or converted, as well as the name of the Sub-Fund, and if it is signed by the corresponding investor.

Complete redemption orders and/or conversion requests for the redemption and/or the conversion of bearer shares are forwarded to the Registrar and Transfer agent by the organisation with which the investor holds his or her securities account.

Complete redemption orders and/or complete conversion requests that are received by 5 pm at the latest on a valuation date will be settled at the net asset value of the following valuation date, less any redemption fee and/or taking into account the exchange commission. In any case, the Registrar and Transfer agent (under the responsibility of the Management Company) will ensure that the redemption and/or conversion of Units is settled on the basis of a net asset value previously unknown to the investor. Complete redemption requests and/or conversion requests that are received after 5 pm on a valuation date will be settled at the net asset value of the next following valuation date, less any redemption fee and/or taking into account the conversion commission.

The receipt at the Registrar and Transfer agent is decisive for the receipt of the redemption order and/or the conversion request.

The redemption price will be paid out within two valuation dates after the corresponding valuation date in the respective Sub-Fund currency and/or in the case of several Unit categories in the respective Unit category currency. In the case of registered shares, the payment is made into an account to be specified by the investor.

Fractional amounts resulting from the conversion of bearer shares will be settled by the Depositary in cash form.

The Management Company is entitled to suspend the redemption and/or conversion of Units temporarily due to a suspension of the calculation of the net asset value.

After prior approval by the Depositary, the Management Company is entitled, while observing the interests of the investors, to only carry out considerable redemptions when corresponding assets of the respective Sub-Fund have been sold without delay. In this case, the redemption will be done at the redemption price valid at the time. The same applies for requests for conversion of Units. The Management Company, however, will ensure that sufficient liquid funds are available to the respective Sub-Fund assets so that a redemption and/or conversion of Units can be done immediately under normal circumstances on request from investors.

## **10 – Restriction and suspension of the issue or redemption of Units**

At any time and its own discretion, the Management Company can reject a subscription request. It may restrict, suspend or cease to issue or redeem Units if this appears necessary in the investors' interest, in the public interest or to protect the Fund or the respective Sub-Fund, in particular if:

1. it is suspected that market timing, late trading or other market techniques are carried out by a Unitholder and the acquisition of the Units could harm other investors.
2. the investor does not meet the condition for a purchase of the Units or
3. the Units have been marketed in a country or acquired by a person in such a country in which the Fund is not approved for the marketing or the acquisition of Units to such persons.

In this case, the Registrar and Transfer Agent will immediately reimburse without interest incoming payments on subscription applications not yet implemented with regard to registered shares, and the Depositary with regard to bearer shares.

Subscriptions, redemptions and conversions will be suspended during a period of suspension of calculation of the NAV.

## **Article 11 – Costs**

The respective Sub-Fund pays for the following costs if they arise in connection with its assets:

- (i) For the management of the respective Sub-Fund, the Management Company will receive a remuneration from the respective Sub-Fund assets whose maximum amount, calculation and payment for the respective Sub-Fund are listed in the respective annex to the Prospectus. This remuneration is exclusive of any VAT.

In addition, the Management Company or, if applicable, the investment adviser(s)/investment manager(s) can receive a performance-oriented additional remuneration ("performance fee") from the assets of the respective Sub-Fund. The percentage amount, calculation and payment are described for the respective Sub-Fund in the related annex to the Prospectus.

- (ii) The investment adviser can receive a remuneration from the respective Sub-Fund asset or from the remuneration of the Management Company whose maximum amount, calculation and payment are described for the respective Sub-Fund in the related annex to the Prospectus. This remuneration is exclusive of any VAT.
- (iii) The investment manager, if any, can receive a remuneration from the respective Sub-Fund assets whose maximum amount, calculation and payment are described for the respective Sub-Fund in the related annex to the Prospectus. This remuneration is exclusive of any VAT.
- (iv) For the fulfilment of their tasks, the Depositary and the Administrative Agent will each receive a remuneration in accordance with market practice in the Grand Duchy of Luxembourg. The amount and payment are described for the respective Sub-Fund in the related annex to the Prospectus. These remunerations are exclusive of any VAT.
- (v) For the fulfilment of its tasks, the Paying Agent, the Registrar and Transfer Agent, domiciliary agent, accountant or other authorized agents will receive remuneration in accordance with market practice in the Grand Duchy of Luxembourg.
- (vi) The distributor can receive a remuneration from the respective Sub-Fund assets whose maximum amount, calculation and payment is described in the related annex to the Prospectus. This remuneration is exclusive of any VAT.
- (vii) In addition to the aforementioned costs, the respective Sub-Fund may also pay the following costs if they are incurred in connection with its assets:

- a) Costs incurred in connection with the acquisition, holding and sale of assets, in particular usual banking fees for transactions in securities and other assets and rights of the Fund and/or of a Sub-Fund and their safekeeping and usual banking costs for the safekeeping of foreign investment units abroad;
- b) all third-party safekeeping fees that are invoiced by other correspondence banks and/or clearing offices (e.g. Clearstream Banking S.A.) for the assets of the respective Sub-Fund and all third-party handling, dispatch and insuring expenses that are incurred in connection with the security transactions of the respective Sub-Fund in Units;
- c) the transaction costs of issuing and redeeming Units;
- d) in addition, the Management Company, the Depositary, the Administrative Agent and the Registrar and Transfer Agent will be reimbursed for their own expenses and other costs incurred in connection with the respective Sub-Fund assets and the expenses and other costs incurred through the necessary use of third parties. The Depositary will also receive usual banking expenses;
- e) taxes that are charged on the Fund assets and/or Sub-Fund assets, their income and the expenses for the account of the respective Sub-Fund;
- f) costs for legal advice that are incurred by the Management Company or the Depositary when they act in the interest of the investors in the respective Sub-Fund;
- g) costs of the auditor;
- h) costs for the creation, preparation, safekeeping, publication, printing and dispatch of all documents for the Fund, in particular any Unit certificates and coupon sheet renewals, the Prospectus, the key investor information documents, the annual and semi-annual reports, the statements of assets, the notifications to the investors, and/or applications for approval in the countries in which the Units of the Fund and/or of a Sub-Fund are to be marketed and the correspondence with the respective supervisory authorities;
- i) the fees that are to be paid for the Fund and/or a Sub-Fund to the authorities, in particular the fees of the Luxembourg supervisory authority and supervisory authorities of other countries and the fees for submitting the documents of the Fund;
- j) costs in connection with any listing on stock exchanges;
- k) costs for advertising and those incurred directly in connection with the offering and selling of Units;
- l) insurance costs;
- m) remuneration, expenses and other costs of paying agents, distributors and other intermediaries in the distribution;
- n) interest that is incurred within the framework of loans that are taken out pursuant to Article 4 of the Management Regulations;
- o) expenses of any investment committee;
- p) expenses of the board of directors;
- q) costs for the establishment of the Fund and/or Sub-Funds and the initial issue of Units;
- r) other costs of management including costs for interest associations;
- s) costs for performance attribution;
- t) costs for the credit rating assessment of the Fund and/or of the Sub-Funds through nationally and internationally recognised rating agencies.
- u) appropriate costs for the risk controlling.

All aforementioned costs, fees and expenses are exclusive of any VAT.

All costs will first be offset against income and the capital gains and then the respective Sub-Fund assets.

The costs for setting up the Fund and the initial issue of Units has been written off over the first five financial years for the account of the assets of the Sub-Funds existing when the Fund was set up. The allocation of the set-up costs and of the aforementioned costs that are not solely associated with certain Sub-Fund assets will be done on the respective Sub-Fund assets on a pro rata basis by the Management Company. Costs that are incurred in connection with the launch of further Sub-Funds will be written off within a maximum period of five years after launch for the account of the respective Sub-Fund assets that they are to be assigned to.

It is explicitly pointed out that all costs for which the investor is responsible, in particular bank fees that can arise in connection with a direct debit mandate or charge-back procedure, will not be taken over by the respective Sub-Fund. These costs are to be paid by the investor.

## **Article 12 – Dividends**

Within each Sub-Fund, the Management Company can distribute dividends out of the investment income gains and/or realised capital gains of a Class of Units / Sub-Fund to the Unitholders of this Class of Units / Sub-Fund in proportion of their holding (distribution Units) or reinvest incomes in the respective Class of Units / Sub-Fund (capitalization Units). For each Class of Units / Sub-Fund, the distribution policy is mentioned in the respective Sub-Fund's annex of the Prospectus.

Interim dividends may be paid from time to time, as decided by the Management Company and in compliance with the conditions set forth by law. Dividends may be distributed to the extent that the net assets of the Fund is maintained at the minimum level of Euro 1,250,000.-.

Distributions will be paid on the Units issued on the distribution date. Distributions can be made in their entirety or in part in the form of free-of-charge Units. Any remaining fractions can be paid in cash. Dividends not collected within five years will lapse and accrue in favour of the relevant Sub-Fund.

Distributions to holders of registered shares are fundamentally done through re-investment of the distribution amount in favour of the holder of registered shares. If this is not required, the holder of registered shares can request from the Registrar and Transfer agent payment into the account indicated by him/her within 10 days after receipt of the notification. Distributions to holders of bearer shares will be done in the same way as the payment of the redemption price to the holders of bearer shares.

## **Article 13 – Financial year - Auditing of the financial statements**

The financial year of the Fund starts on 1 July of each year and ends on 30 June of the following year. The first financial year started with the establishment of the Fund and ended on 31 October 2013.

The annual financial statements of the Fund will be audited by an independent auditor appointed by the Management Company.

At the latest four months after the end of each financial year, the Management Company will publish an audited annual report in accordance with the provisions of the Grand Duchy of Luxembourg.

Two months after the end of the first half of the financial year, the Management Company will publish an unaudited semi-annual report. The first report was an audited annual report as of 31 October 2013. If this is necessary for the authorisation for sale in other countries, audited and non-audited interim reports can also be drawn up.

#### **Article 14 – Publications**

1. Net asset value, issue and redemption prices as well as all other information can be requested from the Management Company, the Depositary, any paying agent and the distributor. They are also published in the applicable source in each country of distribution.
2. The current Prospectus, the KIIDs and the annual and semi-annual reports of the Fund are available on the website [www.wealthfunds.eu](http://www.wealthfunds.eu) free of charge. The current Prospectus, the KIIDs and the annual and semi-annual reports of the Fund are also available free of charge at the registered office of the Management Company, the Depositary, the paying agents and the distributor.
3. The Depositary agreement, the articles of association of the Management Company, the administrative agency agreement and the Registrar and Transfer agency agreement are available for inspection at the Management Company, paying agents and distributor 's respective registered office.

#### **Article 15 – Merger of the Fund and of Sub-Funds**

By means of resolution, the board of directors of the Management Company can decide pursuant to the conditions below to merge the Fund or a Sub-Fund, either as receiving or merging UCITS with another UCITS that is managed by the same Management Company or by another management company. The merger can be decided upon in the following cases in particular:

- if the Fund's / Sub-Fund's net assets on a Valuation Day have fallen below an amount that appears as the minimum amount in order to manage the Fund or the Sub-Fund in an economic expedient manner.
- if due to a fundamental change in the economic or political environment or for reasons of economic profitability it does not appear economically expedient to manage the Fund or Sub-Fund;
- If required by the interests of all the Unitholders of the relevant Sub-Fund.

Mergers are possible both between two Luxembourg funds or sub-funds (domestic merger) and also between funds or sub-funds that are located in two different Member States of the European Union (cross-border merger).

Such a merger can only be implemented if the investment policy of the Fund or sub-fund does not conflict with the investment policy of the other UCITS / sub-fund.

The merger is carried out like a dissolution of the merging fund or sub-fund and a takeover of all assets at the same time by the receiving fund and/or sub-fund. The investors of the merging fund receive units of the receiving fund, whose number is calculated on the basis of the net asset value ratio of the respective funds at the time of the contribution and, if applicable, compensation for fractional amounts.

Both the receiving fund or sub-fund as well as the merging fund or sub-fund will inform the relevant unitholders in a suitable manner about the planned merger within the framework of a publication in a Luxembourg daily newspaper and in accordance with the regulations of the respective countries of distribution of the receiving or merging fund or sub-fund.

For a period of thirty days before the date of the merger, the investors in the receiving and in the merging fund and/or Sub-Fund have the right to request, without additional costs, the redemption of all or one part of their units at the relevant net asset value or, if possible, the conversion into units of a fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is associated through communal management or control or through fundamental direct or indirect participation in accordance with the 2010 Law. The right becomes valid from the point in time at which the unitholders of the merging and receiving fund are informed about the planned merger and expires five bank working days before the time when the exchange ratio is calculated.

In the case of a merger between two or more funds and/or sub-funds, the respective funds and/or sub-funds can temporarily suspend the subscriptions, redemptions or conversions of units if such a suspension is justified for reasons of the investor's protection.

The conducting of the merger will be audited and confirmed by an independent auditor. On request, the investors of the merging and receiving fund and/or Sub-Fund as well as the respectively responsible supervisory authority will be provided with a copy of the auditor's report free of charge.

The above equally applies for the merger of two Sub-Funds within the Fund and for the merger of Classes of Unit within a Sub-Fund.

The effective date of the merger shall be decided by the Management Company on behalf of the Fund and the decision regarding the effective date of the merger shall be deposited with the RCS and published in the RESA.

#### **Article 16 – Dissolution of the Fund and/or of a Sub-Fund**

The Fund is set up for an indefinite period of time. However, the Board may establish Sub-Funds for a limited duration, as may be specified in the relevant Sub-Fund annex of the prospectus and the Fund and/or one or several Sub-Funds can be terminated at any time by the Management Company, with the prior notice to the Depositary, in particular (i) where the value of the assets of the Fund or of any such Sub-Fund or Class therein has decreased to an amount determined by the Management Company to be the minimum level for the Fund or for such Sub-Fund or Class to be operated in an economically efficient manner; (ii) in case the Management Company deems that it is appropriate because of changes in the economic or political situation affecting the Fund / relevant Sub-Fund; (iii) if an economic rationalization is needed. The Fund shall also be compulsorily liquidated in certain circumstances as provided for by the 2010 Law.

The Fund will be dissolved as a mandatory measure in the following cases:

- a) if the appointment of the Depositary is terminated without a new Depositary being appointed within two months;
- b) if insolvency proceedings are opened over the Management Company and no other management company declares itself willing to take over the fund, or the Management Company is liquidated;



- c) if the Fund assets remain below an amount of EUR 312.500 for more than six months;
- d) in other cases envisaged in the 2010 Law.

If a circumstance occurs that results in the dissolution of the Fund or of a Sub-Fund, the issue and redemption of Units will be suspended. The Depositary will distribute the liquidation proceeds, less the liquidation costs and fees, at the instruction of the Management Company or if applicable of the liquidators appointed by the latter or by the Depositary in consultation with the supervisory authority among the investors of the respective Sub-Fund according to their entitlement. Net liquidation revenues that have not been collected by investors by the completion of the liquidation proceedings will be deposited by the Depositary after completion of the liquidation proceedings for the account of the entitled investors at the *Caisse des Consignations* in the Grand Duchy of Luxembourg, where these amounts will then expire if claims are not filed to them within the statutory period.

The investors, their heirs, creditors or legal successor cannot request either the early dissolution or the division of the Fund or a Sub-Fund.

The dissolution of the Fund pursuant to these management regulations will be published in accordance with the Law by the Management Company at the trade and companies register in Luxembourg, in the "*Recueil Electronique des Sociétés et Associations*, RESA" and in addition in at least two newspapers with adequate circulation, one of which at least must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

#### **Article 17 – Statute of limitation**

Claims of the Unitholders against the Management Company or the Depositary in connection with their rights and obligations resulting from these Management Regulations and the Prospectus can no longer be filed with the courts after the expiry of 5 years after the claim arose; this does not affect the provision contained in the third paragraph of the Article 16 of these Management Regulations.

#### **Article 18 – Applicable law, jurisdiction and governing language**

The Management Regulations of the Fund are governed by the laws of the Grand Duchy of Luxembourg and any legal dispute between investors, the Management Company and the Depositary are governed by the jurisdiction of the responsible court in the court district of Luxembourg in the Grand Duchy of Luxembourg, provided, however, that the Management Company and the Depositary may subject themselves and the Fund to the law and jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

The English language will be the governing language of the Management Regulations. These Management Regulations may also be translated into other languages. In case of any inconsistency between the English language and the translation in another language, the English version shall prevail.

If the terms that are not defined by the Management Regulations require interpretation, the provisions of the 2010 Law apply. This applies in particular for the terms defined in Article 1 of the 2010 Law.

#### **Article 19 – Changes to the Management Regulations**

The Management Company may, with the written approval of the Depositary, amend these Management Regulations.

The up-to-date Management Regulations are filed with the RCS .

Changes to these Management Regulations are kept at the trade and companies register in Luxembourg and published in the RESA . Unless otherwise determined, they will be effective as of the date of signature. They will be enforceable against third parties upon the publication of their deposit in the RESA, visible on the website [www.lbr.lu](http://www.lbr.lu).

#### **Article 20 – Entry into force**

Unless otherwise determined, these Management Regulations enter into force on the day they are signed.