

INVESTMENT FUND

## Heitman UCITS

*Société d'investissement à capital variable* (SICAV) under Luxembourg Law

Prospectus

June 2022

# 1 Introduction

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**Heitman UCITS** (the “**Fund**”) is authorised under Part I of the Luxembourg law of December 17, 2010 relating to collective investment undertakings, as may be amended from time to time (*loi concernant les organismes de placement collectif*) (the “**Law of 2010**”).

This is the Prospectus of the Fund dated June 2022. It completely supersedes and replaces any prior Prospectuses of the Fund.

The Fund qualifies as an Undertaking for Collective Investments in Transferable Securities (“**UCITS**”) under Article 1, paragraph 2, points a) and b) of the Directive 2009/65/EC of 13 July 2009 of the European Parliament and of the Council (the “**UCITS Directive**”), and may therefore be offered for sale in European Union (“**EU**”) Member States (subject to registration in countries other than Luxembourg). In addition, applications to register the Fund may be made in other countries.

The registration of the Fund pursuant to Part I of the Law of 2010 constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various sub-funds of the Fund (individually, a “**Sub-Fund**” and collectively, the “**Sub-Funds**”). Any representations to the contrary are unauthorised and unlawful.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the “**United States**”), and the Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act or the securities laws of any state and such other securities laws. Certain restrictions also apply to the subsequent transfer of Shares in the United States or to or for the account of any United States Person (as defined in Regulation S under the 1933 Act) which includes any resident of the United States, or any corporation, partnership or other entity created or organised in or under the laws of the United States (including any estate of any such person created or organised in the United States). The attention of investors is drawn to certain compulsory redemption provisions applicable to United States Persons described under “The Shares – Redemption of Shares” below. The Fund has not been and does not intend to be registered under the United States Investment Company Act of 1940, as amended.

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

A Key Investor Information Document (“**KIID**”) for each available class of shares of each Sub-Fund (a “**Class**” or, as the case may be, the “**Classes**”) shall be made available to investors free of charge prior to their subscription for shares of each Sub-Fund (the “**Shares**”). Prospective investors should review this Prospectus carefully and in its entirety, and consult with their legal, tax and financial advisors in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Before consent to distribute this Prospectus is granted, certain jurisdictions require that it be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail. All disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of the Grand Duchy of Luxembourg.

The investment objective and policies of the Fund or any Sub-Fund may be changed without a vote of its Shareholders. Shareholders will be notified in writing of any material changes to the Fund’s or Sub-Fund’s investment objective and policies. If there is a change in the investment objective or policies of the Fund or any Sub-Fund, Shareholders should consider whether the Fund or Sub-Fund remains an appropriate investment in light of their then current financial positions and needs. This Prospectus may be amended to reflect changes in the Fund’s or any Sub-Fund’s investment objective and policies as set out herein.

The Fund is offering Shares on the basis of the information contained in the Prospectus and in the documents referred to herein. No person has been authorised to give any information or to make any representation other than those contained in the Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised. The Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any shares other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy Shares by any person in any circumstances in which such offer or solicitation is unlawful.

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

The Board of Directors has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement contained herein misleading.

The value of Shares may go down as well as up, and investors may not get back the amount they have invested in the Fund. There can be no assurance that the investment objective for any Sub-Fund will be attained. No guarantees as to future performance of, or future return from, the Fund can be given by the Fund itself, or by the Board of Directors, by the Investment Manager or any of their affiliates, or by any of their directors or officers, or by any authorised distributors. In addition, deduction of any applicable Initial Sales Charge, as described in the relevant Appendix, means that an investor may not get back the full amount invested. Before investing, a prospective investor should consider the risks involved in such investment. Please see "Risk Factors" in Section 8.2 and in the Risk Profile in the relevant Appendix.

## 2 Directory

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### **REGISTERED OFFICE OF THE FUND**

15, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE FUND**

*Taavi Davies – Independent Director*  
Fund Executives  
24, rue de Bragance  
L-1255 Luxembourg  
Grand Duchy of Luxembourg

*Gregory Cremen – Independent Director*  
19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

*William Pogorelec – Non-Independent Director*  
Heitman Real Estate Securities LLC  
191 North Wacker Drive, Suite 2500  
Chicago, IL 60606  
United States of America

### **MANAGEMENT COMPANY**

FundPartner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Christian Schröder  
Group Corporate Secretary and Head of Organisation  
Pictet & Cie, Geneva  
Switzerland

Mr. Claude Kremer  
Partner  
Arendt & Medernach SA  
Grand Duchy of Luxembourg

Mrs. Michèle Berger  
CEO and Managing Director  
FundPartner Solutions (Europe) S.A.  
Grand Duchy of Luxembourg

Mr. Geoffroy Linard de Guertechin  
Independent Director  
Grand Duchy of Luxembourg

### **CONDUCTING OFFICERS OF THE MANAGEMENT COMPANY**

Mrs. Michèle Berger  
CEO and Managing Director of the Management Company

Mr. Pascal Chauvaux  
Head of Central Administration

Mr. Laurent Dorleac  
Head of Risk & Compliance

Mr. Dorian Jacob  
Head of Investment Management Oversight

**INVESTMENT MANAGER**

Heitman Real Estate Securities LLC  
191 North Wacker Drive, Suite 2500  
Chicago, IL 60606  
United States of America

**ADMINISTRATION AGENT, CORPORATE AND DOMICILIARY AGENT, REGISTRAR AND TRANSFER AGENT AND PAYING AGENT**

FundPartner Solutions (Europe) S.A.  
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L-1855 Luxembourg  
Grand Duchy of Luxembourg

**DEPOSITARY**

Pictet & Cie (Europe) S.A.  
15A, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISOR**

Arendt & Medernach S.A.  
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L-2082 Luxembourg  
Grand Duchy of Luxembourg

**AUDITOR**

Ernst & Young S.A.  
35E, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

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### 3 Principal Features and Definitions

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

|  |   |
|--|---|
| <b>Administration Agent</b>            | Means FundPartner Solutions (Europe) S.A.   |
| <b>Annual Meeting</b>                  | Means the annual meeting of Shareholders of the Fund.   |
| <b>Appendix</b>                        | Means the relevant Appendix of the Prospectus.  |
| <b>Articles of Incorporation</b>       | Means the articles of incorporation of the Fund, as may be amended from time to time.   |
| <b>Board of Directors</b>              | Means the board of directors of the Fund, as may be appointed from time to time.  |
| <b>Business Day</b>                    | Means, unless otherwise defined in a specific Sub-Fund Appendix, any day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays).   |
| <b>Classes</b>                         | Means separate classes of Shares (the “ <b>Class</b> ” or “ <b>Classes</b> ”) that the Board of Directors may decide to issue pursuant to the Articles of Incorporation, within each Sub-Fund, whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum subscription amount or distribution policy or such other distinctive feature, as decided from time to time by the Board of Directors, may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund Appendix. |
| <b>Corporate and Domiciliary Agent</b> | Means FundPartner Solutions (Europe) S.A.   |
| <b>CSSF or Regulatory Authority</b>    | Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg regulatory authority in charge of the supervision of undertakings for collective investment in the Grand Duchy of Luxembourg.   |
| <b>CSSF Circular 08/356</b>            | Means the CSSF circular 08/356 of 4 June 2008 determining the rules applicable to undertakings for collective investment (UCIs) when they employ certain techniques and instruments relating to transferable securities and money market instruments.   |
| <b>CSSF Circular 11/512</b>            | Means the CSSF circular 11/512 of 30 May 2011 determining the (i) presentation of the main regulatory changes in risk management following the publication of the CSSF Regulation 10-74 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF.   |
| <b>CSSF Circular 18/698</b>            | Means the CSSF circular 18/698 of 23 August 2018 in relation to the authorisation and organisation of fund managers incorporated under Luxembourg law – specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent.   |
| <b>CSSF Circular 13/559</b>            | Means the CSSF circular 13/559 of 18 February 2013 regarding the ESMA guidelines on ETFs and other UCITS issues (ESMA/2012/832).  |
| <b>CSSF Regulation No. 10-04</b>       | Means the CSSF Regulation N° 10-04 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company.   |
| <b>Depositary</b>                      | Means Pictet & Cie (Europe) S.A.  |
| <b>Directors</b>                       | Means the directors of the Fund, as may be appointed from time to time.   |
| <b>EU</b>                              | Means the European Union.   |

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| <b>ESMA</b>                     | Means the European Securities and Markets Authority.   |
| <b>Fund</b>                     | Means Heitman UCITS, an investment company organised under Luxembourg law as a <i>société anonyme</i> qualifying as a <i>société d'investissement à capital variable</i> (SICAV). The Fund is set up as a multi-compartment structure and may therefore comprise several Sub-Funds. Each Sub-Fund may have one or more Classes. The Fund is authorised under Part I of the Law of 2010 as a UCITS under Article 1, paragraph 2, points a) and b) of the UCITS Directive.   |
| <b>Group of Companies</b>       | Means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules, as amended.   |
| <b>Hedged Share Class</b>       | Means a Class whose currency is hedged against the Reference Currency of the relevant Sub-Fund.  |
| <b>Institutional Investors</b>  | Means such expression as defined from time to time by the Regulatory Authority within the context of Luxembourg law on undertakings for collective investment.   |
| <b>Investment Manager</b>       | Means the entity providing investment management services for each Sub-Fund, as described in the Directory and the relevant Sub-Fund Appendix.   |
| <b>KIID</b>                     | Means the Key Investor Information Document(s) of each Class of each Sub-Fund.   |
| <b>Law of 2004</b>              | Means the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.   |
| <b>Law of 2010</b>              | Means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.  |
| <b>Management Company</b>       | Means FundPartner Solutions (Europe) S.A.  |
| <b>Member State</b>             | Means any member state of the EU.  |
| <b>Money Market Instruments</b> | Means financial instruments normally dealt on the money market and which are liquid and have a value which can be accurately determined at any time.   |
| <b>NAV</b>                      | Means the value of the assets of the Fund or any Sub-Fund less the liabilities of the Fund (or of the Sub-Fund concerned).   |
| <b>NAV per Share</b>            | Means the NAV of the Shares of each Class, which is determined on each Valuation Day by dividing the NAV attributable to each Class by the number of Shares of such Class then in issue and rounding, to the extent possible, the resultant sum to at least three decimal places.  |
| <b>Other Regulated Market</b>   | Means any market which is not a Regulated Market and which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority, such as a professional association; and (iv) on which the securities dealt are accessible to the public. |
| <b>Other State</b>              | Means any sovereign state which is not a Member State.   |
| <b>Paying Agent</b>             | Means FundPartner Solutions (Europe) S.A.  |
| <b>Price</b>                    | Means the amount, equal to the NAV per Share after any Dilution Adjustment, at which a Share of a Sub-Fund will be issued and redeemed on any Valuation Day.   |

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| <b>Privacy Notice</b>               | Means the Funds' privacy notice, as amended from time to time, which is an appendix to the application form for Shares and may also be downloaded at the Fund's website ( <a href="http://www.heitman-ucits.com">www.heitman-ucits.com</a> ).  |
| <b>Prospectus</b>                   | Means the prospectus of the Fund as amended from time to time.   |
| <b>Reference Currency</b>           | Means the currency in which all the assets of the Fund or all underlying assets of the Fund and/or each relevant Sub-Fund or Class is valued and reported. Although the Reference Currency of the Fund is (as described in Section 5.3) the Euro, the Reference Currency of a particular Sub-Fund may be a different currency. The details of the reference currency of each relevant Sub-Fund or Class are described in the relevant Sub-Fund Appendix. |
| <b>Registrar and Transfer Agent</b> | Means FundPartner Solutions (Europe) S.A.  |
| <b>Regulated Market</b>             | Means any market defined in the directive 2014/65/EU of the European Parliament and the European Council of 15 May 2014 on markets in financial instruments.   |
| <b>Shares</b>                       | Means the fully paid shares of each Sub-Fund offered in registered form and without certificates. Fractions of Shares are issued up to three decimal places.   |
| <b>Shareholder</b>                  | Means any holder of Shares.  |
| <b>Sub-Funds</b>                    | Means sub-funds of the Fund, which are distinguished mainly by their specific investment objective and policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the relevant Appendix to this Prospectus. The Board of Directors may, at any time, decide to create additional Sub-Funds and, in such case, this Prospectus will be updated by adding corresponding Appendices.                 |
| <b>Subsidiary Company</b>           | Means a company which is controlled by another company defined in the Law of 2010.   |
| <b>Sustainability Factor</b>        | Means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.  |
| <b>Sustainability Risk</b>          | Means an environmental, social or governance 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 a Sub-Fund.  |
| <b>Transferable Securities</b>      | Means one of the following: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments; or</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.</li> </ul>   |
| <b>UCI(s)</b>                       | Means undertaking(s) for collective investment.  |
| <b>UCITS</b>                        | Means undertaking(s) for collective investment in transferable securities, pursuant to Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC.   |
| <b>UCITS Directive</b>              | Means the 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 from time to time including by means of Directive 2014/91/EU   |
| <b>UCITS Regulation</b>             | Means the Commission Delegated Regulation (EU) No. 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries, as amended from time to time.  |
| <b>UCITS Rules</b>                  | Means the Law of 2010, the UCITS Directive, the UCITS Regulation, and any further delegated regulations issued by the European Commission for the UCITS Directive and any further Luxembourg law transposing legislation for the UCITS Directive and delegated acts, as well as any applicable circular by the CSSF.   |

|                         |   |
|-------------------------|---|
| <b>USA</b>              | Means the United States of America.   |
| <b>USD or US dollar</b> | Means the currency of the United States of America.   |
| <b>Valuation Day</b>    | Means a day, being typically each Business Day, where the NAV per Share of each Sub-Fund is determined. |

## 4 The Shares

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- 4.1. Subscription for Shares**
- 4.2. Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts**
- 4.3. Conversion of Shares**
- 4.4. Redemption of Shares**
- 4.5. Transfer of Shares**
- 4.6. Income Distribution Policy**
- 4.7. Late Trading and Market Timing**
- 4.8. Data Protection – Privacy Notice**

Subject to the restrictions described below, Shares of each Class of each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to that Class. The rules governing such allocation are set forth below. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights, and each Share entitles its holder to one vote at all general meetings of Shareholders. Shares redeemed by the Fund become null and void.

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

The Shares are available in registered form only and will be issued without certificates.

### **4.1 Subscription for Shares**

Applications for subscriptions for Shares of a Sub-Fund must be submitted by the time specified in the Appendix for the relevant Sub-Fund in order for such applications to be processed, if accepted, on the basis of the NAV per Share for that Valuation Day. Applications for subscriptions received after such time will be dealt with on the next Valuation Day. The NAV per Share for the relevant Valuation Day is unknown to the investors when they place their subscription orders.

Applications for subscriptions for Shares should be sent to the Registrar and Transfer Agent.

The initial offering period as well as the initial Price on such day for each newly created or activated Class or Sub-Fund will be determined by the Board of Directors and will be available at the office of the Administration Agent. The relevant Appendices will be updated as new Classes or Sub-Funds become available.

The Fund may fix minimum subscription amounts for each Class which, if applicable, are detailed in the relevant Appendices. These minimum subscription amounts may be waived or decreased as described in more detail in Section 4.2, "Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts".

Shares of each Class shall be allotted at the Price of such Class determined on the applicable Valuation Day, plus any applicable initial sales charges payable to the Fund or its appointed delegate. An initial sales charge as disclosed in the relevant Sub-Fund Appendix may be applied to the subscription amount or it may be waived in whole or in part at the discretion of the Fund or its appointed delegate.

Applications for Shares can be made either for a monetary amount or, in the case of Institutional Investors, for a number of Shares. All prospective investors wishing to subscribe for Shares will be requested to complete an application form in which they commit to subscribe and pay for Shares. As soon as the Price at which the Shares are to be issued has been calculated, the Registrar and Transfer Agent will notify the purchaser of the number of Shares allocated or the monetary amount to be paid. Payment for Shares must be received by the Registrar and Transfer Agent, in a currency in which the relevant Class is available, no later than three (3) Business Days following the applicable Valuation Day. The currencies in which a Class of a Sub-Fund is available are indicated in the Appendix of the relevant Sub-Fund.

If the payment for Shares has not been received by that date or has been received thereafter, the application for Shares may be rejected, and any allocation of Shares made on the basis of the application request may be cancelled. In such case, the Registrar and Transfer Agent will inform the applicant that the application has been rejected, that the money received (if any) after the relevant date will be returned to the investor and that any loss to the Fund or Sub-Fund resulting from such a cancellation of an application request will be borne by the relevant applicant.

The Fund may, at its sole discretion, satisfy any application for subscription of Shares in kind. The nature and type of assets to be accepted in any such case shall be determined by the Board of Directors and must correspond to the investment policy of the relevant Sub-Fund. A valuation report relating to the contributed assets must be produced by the Depositary and delivered to the Fund after approval by the Auditor of the Fund. The costs of any such transfer,

including the production of any necessary valuation report, shall be borne by the prospective investor requesting the transfer.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. The Fund may also limit the distribution of Shares of a Class to certain countries. The issue of Shares of a Class shall be suspended whenever the determination of the NAV per Share of such Class is suspended by the Fund (see Section 5.7, “General Information – Temporary Suspension of Issues, Redemptions and Conversions”).

The Fund and the Administrative Agent will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to anti-money laundering, as such laws, rules and regulations may be amended or replaced from time to time, and will furthermore adopt procedures designed to ensure, to the extent applicable, that the Fund complies with the foregoing laws, rules and regulations.

With respect to anti-money laundering requirements, application forms for Shares must be accompanied with the appropriate documents as per the applicable Luxembourg laws and regulations, such as in particular the Law of 2004.

Moreover, the Fund is legally responsible for identifying the origin of monies transferred to the Fund. Subscriptions and payment of redemption proceeds will be suspended until the origin of such monies or the identity of the relevant Shareholder has been correctly identified.

In relation to an application for redemption or transfer of Shares, the Fund and/or the Registrar and Transfer Agent may require at any time such documentation as it/they deem appropriate to comply with applicable laws and regulations. Failure to provide such information in a form which is satisfactory to the Fund and/or the Registrar and Transfer Agent, as applicable, may result in an application for redemption or transfer not being processed.

Confirmation of completed subscriptions will be sent via Swift, fax or email, to the contact details indicated on the relevant application form within ten (10) Business Days following the issue of the Shares.

The Management Company may enter into agreements with certain distributors pursuant to which the distributors agree to act as or appoint nominees for investors subscribing for Shares through their facilities (distribution and nominee agreements). In such capacity, the distributors may effect subscriptions, conversions and redemptions of Shares in nominee name on behalf of investors, and request the registration of such operations on the register of Shareholders of the Fund in such nominee name. Each nominee/distributor maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Fund.

#### **4.2 Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts**

##### *Classes Available and Eligibility for Shares*

The Classes available and eligibility for Shares of each Sub-Fund are specified in the Appendix of the relevant Sub-Fund.

Classes may be either hedged (see definition of “Hedged Share Class” in Section 3, “Principal Features and Definitions”) or un-hedged.

The Fund reserves the right to offer only certain Classes for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice.

The Fund may decide to launch Classes which have not previously been opened for subscription. Furthermore, it may create additional Classes within each Sub-Fund whose assets will be invested in accordance with the specific investment policy of the relevant Sub-Fund and which may have such specific features as shall be described in further detail in the Appendix of the relevant Sub-Fund.

If an existing or new Class is made available, or if a Class has been closed, the list of Classes in the relevant Sub-Fund section will be updated accordingly upon the next issuance of a new Prospectus. A complete list of currently available Classes may be requested from the Administrative Agent. A copy of this list may also be downloaded at the Fund’s website ([www.heitman-ucits.com](http://www.heitman-ucits.com)).

##### *Reference Currency of Classes*

Each Class is available in the Reference Currency and, at the Fund’s discretion, may also be available in other currencies as described in the Appendix for each Sub-Fund. Any Class denominated in a currency other than the Reference Currency will be exposed to additional currency risk. This is due to the fact that the currency in which the Class is denominated will not be hedged (protected) against changes in the exchange rate with the Reference Currency unless it is a Hedged Share Class. For further information, please see *Currency Risk* under Section 8.2, “Risk Factors” and refer to the Appendix of the relevant Sub-Fund for the specific currencies available for each Class.

#### *Minimum Subscription and Holding Amounts*

The minimum initial subscription amount and minimum holding amount for each Class of each Sub-Fund are specified in the Appendix of the relevant Sub-Fund.

The Fund has the discretion, from time to time, to waive any applicable minimum subscription and holding amounts.

#### *Minimum Additional Subscription Amount*

Where a Shareholder wishes to purchase additional Shares in Class in the same Shareholder account, the additional subscription must be at least the minimum additional subscription amount set out in the Appendix of the relevant Sub-Fund.

The Fund has the discretion, from time to time, to waive any minimum additional subscription amount.

The Fund may, at any time, decide to compulsorily redeem all Shares from a Shareholder whose holding is, as a result of a partial redemption of Shares, less than the required minimum holding amount of the relevant Sub-Fund, or who fails to satisfy any other applicable eligibility requirements set out above or stated in the relevant Appendix at any given point in time. In such case, such Shareholder will receive one (1) month's prior notice so as to be able to increase the Shareholding to at least such minimum holding amount or otherwise satisfy the eligibility requirements.

#### *Hedged Share Classes*

For any Hedged Share Classes, the Investment Manager, or the relevant Sub-Investment Managers, will use hedging transactions intending to reduce the impact of exchange rate movements between the Reference Currency and the currency of the Hedged Share Class (the "**HSC Currency**"). The hedging transactions used by the Investment Manager or the relevant Sub-Investment Managers for this purpose will be those permitted under Section 9 of this Prospectus.

The hedging transactions will be entered into regardless of whether the Reference Currency is declining or increasing in value relative to the HSC Currency. Consequently, while such hedging will largely protect Shareholders in the relevant Hedged Share Class against a decrease in the value of the Reference Currency relative to the HSC Currency it will also mean that Shareholders of the Hedged Share Class will not benefit from an increase in the value of the Reference Currency relative to the HSC Currency.

Due to the impossibility of forecasting future market values, the currency hedging will not be perfect and the returns of a Hedged Share Class, measured in the HSC Currency, will not be exactly the same as the returns of an equivalent Class denominated in and measured in the Reference Currency.

The fees and costs of hedging a Hedged Share Class will accrue only to Shareholders of that Hedged Share Class. The Investment Manager will aim to fully hedge the NAV (capital and income) of the relevant Hedged Share Class, although this may not always be achievable for various reasons. Consequently the Hedged Share Classes may not be completely protected from any adverse fluctuations between the HSC Currency and the Reference Currency.

Shareholders should furthermore be aware that the Hedged Share Classes aim to reduce exposure to exchange rate fluctuations at a Hedged Share Class level. However, Shareholders in Hedged Share Classes will still be exposed to the market risks that relate to the underlying investments in a Sub-Fund and in particular to any exchange rate risks that arise from the investment policy of the Sub-Fund that are not fully hedged and to the other risks as set out in the Appendices for each Sub-Fund.

### **4.3 Conversion of Shares**

Subject to any suspension of the determination of the NAV, Shareholders have the right to convert all or some of their Shares of any Class into Shares of the same Class in another Sub-Fund or into Shares of another existing Class of that same or another Sub-Fund by applying for conversion in the same manner as for the issue of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription amounts) applicable to the Class into which the conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum subscription amount specified in the Appendix of the relevant Sub-Fund, where appropriate, the Fund may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a partial conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Fund so decides) to have requested the conversion of all Shares in that account.

Requests for conversion of Shares of a Sub-Fund must be submitted by the time specified in the Appendix for the relevant Sub-Fund in order for such applications to be processed, if accepted, on the basis of the NAV per Share for

that Valuation Day. Requests received after such time will be dealt with on the next Valuation Day. The NAV per Share for the relevant Valuation Day is unknown to the investors when they place their subscription orders.

The number of Shares issued upon a conversion will be based upon the respective NAVs of the two Classes as of the applicable Valuation Day.

The rate at which all or some of the Shares of a Class (the “**original Class**”) are converted into Shares of another Class (the “**new Class**”) is determined on the basis of the following formula:

$$A = \frac{[B \times C \times D]}{E}$$

- A is the number of Shares to be allocated in the new Sub-Fund/Class
- B is the number of Shares to be converted in the original Sub-Fund/Class
- C is the Price on the applicable Valuation Day of the Shares to be converted in the original Sub-Fund/Class
- D is the exchange rate applicable on the effective transaction day for the currencies of the two Sub-Funds/Classes
- E is the Price on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

After the conversion, the Registrar and Transfer Agent will inform the Shareholder as to the number of new Shares acquired as a result of the conversion, as well as the present valuation of the new Shares.

A conversion charge of up to 1% of the conversion amount may be applied at the discretion of the Fund, provided however that the equal treatment of all Shareholders is being observed by applying the same percentage to all conversion orders received for the same Valuation Day.

If on any given Valuation Day conversion requests relate to more than 10% of the Shares in issue in a specific Sub-Fund, the Fund may decide that part (on a pro rata basis) or all of such requests for redemption will be deferred for a period that the Fund considers to be in the best interest of the Sub-Fund, but normally not exceeding ten (10) Valuation Days. On the next Valuation Day following such period, these conversion requests will be met in priority to later requests.

Conversion requests, the settlement of which is deferred, shall be paid based on the Prices at the time of the relevant conversion requests. The settlement of these conversion requests will be given priority to settlement of later requests.

Conversions of Shares of a Sub-Fund shall be suspended whenever the determination of the NAV per Share of such Sub-Fund is suspended by the Fund (see Section 5.7, “General Information – Temporary Suspension of Issues, Redemptions and Conversions”).

#### 4.4 Redemption of Shares

Shareholders may apply to redeem their Shares in part or in whole on any Valuation Day. Applications for redemptions must include (i) the cash amount the Shareholder wishes to redeem, or (ii) the number of Shares the Shareholder wishes to redeem. In addition, the application must include the Shareholder’s personal details, and account number. Failure to provide any of this information will result in a delay whilst verification is being sought.

Valid written redemption applications for Shares of a Sub-Fund must be received in good order by the time specified in the Appendix for the relevant Sub-Fund in order for such applications to be processed, if accepted, on the basis of the NAV per Share for that Valuation Day. Applications for redemptions received after such time will be dealt with on the next Valuation Day. The NAV per Share for the relevant Valuation Day is unknown to the investors when they place their redemption applications.

Redemptions shall be effected at the Price of the relevant Class determined on the applicable Valuation Day.

Each redemption payment in respect of any Shares shall be made in the same currency as the subscription payment for such Shares as specified in the Appendix of the relevant Sub-Fund. The Depositary will issue payment instructions to its correspondent bank for payment, normally no later than three (3) Business Days after the relevant Valuation Day.

Except in exceptional circumstance, such as described in Section 4.7 below, Shares of all Classes in all Sub-Funds may be redeemed without charge.

If, as a result of a redemption, the value of a Shareholder’s holding in a Class falls below the relevant minimum holding amount, that Shareholder may be deemed (if the Fund so decides) to have requested redemption of all Shares in that Class account.

Shareholders are required to notify the Registrar and Transfer Agent immediately in the event that they (i) are or become United States Persons; (ii) hold Shares for the account or benefit of United States Persons; (iii) otherwise hold Shares in breach of any law or regulation; or (iv) are aware of any circumstances having, or which may have, adverse regulatory, tax or fiscal consequences to the Fund or the Shareholders or otherwise be detrimental to the interests of the Fund. If the Fund determines, in its sole discretion, that a Shareholder (a) is a United States Person or is holding Shares for the account or benefit of a United States Person, or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences to the Fund or the Shareholders or otherwise be detrimental to the interests of the Fund, the Fund may redeem the Shares in accordance with the provisions of the Articles of Incorporation.

The Fund may decide, with the agreement of the Shareholder(s) that may be affected, that settlement may be deferred for redemption or conversion requests for a period of time to be agreed upon with the affected Shareholder(s).

If on any given Valuation Day redemption requests relate to more than 10% by value of the Shares in issue in a specific Sub-Fund, the Fund may decide that part (on a pro rata basis) or all of such requests for redemption will be deferred for a period that the Fund considers to be in the best interest of the Sub-Fund, but normally not exceeding ten (10) Valuation Days. On the next Valuation Day following such period, these redemption requests will be met in priority to later requests.

Redemption requests, the settlement of which is deferred, shall be paid based on the Price at the time of the relevant redemption requests. The settlement of these redemption requests will be given priority to settlement of later requests.

The Fund may, at its discretion and with the approval of the affected Shareholder(s), pay all or a portion of the redemption proceeds in investments owned by the relevant Sub-Fund. The nature and type of investments to be transferred in any such case shall be determined by the Fund after reviewing the recommendation of the Investment Manager on a fair and equitable basis, and without material prejudice to the interests of the remaining Shareholders. A valuation report relating to the assets to be transferred must be produced by the Depositary and delivered to the Fund after approval by the Auditor of the Fund. Any costs of such transfers, including the production of any necessary valuation report, shall be borne by the Shareholder(s) benefiting from the redemption in kind, and the Shareholder(s) additionally will bear the risks associated with the transfer of the investments.

The procedures relating to a deferral of settlement of redemption requests will not apply to redemption proceeds paid to Shareholders in the form of investments owned by the relevant Sub-Fund.

Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the NAV per Share of such Sub-Fund is suspended by the Fund (see Section 5.7, "General Information – Temporary Suspension of Issues, Redemptions and Conversions").

From time to time, it may be necessary for the Fund to borrow, on a temporary basis, to pay redemptions. For restrictions applicable to the Fund's ability to borrow, see Section 9.1, "Investment Restrictions".

#### **4.5 Transfer of Shares**

The transfer of registered Shares may normally be effected by delivery to the Registrar and Transfer Agent of an instrument of transfer in an appropriate form. On receipt of the transfer request, the Registrar and Transfer Agent may, after reviewing the endorsement(s), require that the signature(s) be guaranteed by an approved bank, stockbroker or public notary.

Shareholders are advised to contact the Registrar and Transfer Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

#### **4.6 Income Distribution Policy**

Any distributions of income in the form of dividends will be paid to Shareholders in the Reference Currency unless otherwise specified in the relevant Sub-Fund Appendix. The foreign exchange transactions applied to such currency conversions will be at commercial market rates applicable on the relevant Business Day. The foreign exchange transaction will be at the cost and risk of the relevant Shareholder. All unclaimed dividends may be invested or otherwise made use of by the Fund for the benefit of the relevant Sub-Fund until claimed. No unclaimed dividends will bear interest. Dividends unclaimed for more than five years from the date of declaration will be forfeited.

The Fund shall have the option, in any given fiscal year of the Fund, to propose to the Shareholders of any Sub-Fund or Class at the Annual Meeting, the payment of a dividend out of all or part of that Sub-Fund's or Class' current net investment income, if the Fund determines it appropriate to make such a proposal. The Fund may only propose the payment of a dividend if, after the deduction of such dividend, the Fund's capital is greater than the minimum capital required by Luxembourg law. In addition, the Fund may decide to pay interim dividends in compliance with legal requirements.

#### **4.7 Late Trading and Market Timing**

The Fund and the Registrar and Transfer Agent shall maintain controls to help ensure that the practices of late trading and market-timing are minimised in relation to the distribution of Shares. Late trading, a fraudulent practice consisting of accepting subscription and/or redemption orders after the cut-off time is not allowed by the Fund. The cut-off times indicated in the Appendices to the Prospectus will be observed. In addition, the investors will not know the NAV per Share at the time of their request for subscription, redemption or conversion. Hence the risk of market timing is mitigated by the fact that the subscription and redemption activity will be applied at an unknown NAV, meaning that the cut-off time is prior to the valuation point and therefore investors cannot take advantage of timing differences and/or deficiencies in the NAV calculation.

Subscriptions, redemptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm Fund or Sub-Fund performance. To minimise harm to the Fund and the Shareholders, the Fund or the Registrar and Transfer Agent on its behalf, has the right to reject any subscription or conversion order, or to levy a fee of up to 2% of the value of the order or the amount redeemed for the benefit of the Fund from any investor who, in the opinion of the Fund and in its sole discretion, is engaging in excessive trading or whose trading in Shares has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Fund may consider trading done in multiple accounts under common ownership or control. The Fund also reserves the right to redeem, at its sole discretion, all Shares held by a Shareholder who is or has been in its opinion engaging in excessive trading. Neither the Board of Directors nor the Fund will be held liable for any loss resulting from rejected orders, the imposition of redemption fees or mandatory redemptions in connection with excessive trading.

#### **4.8 Data Protection – Privacy Notice**

Prospective investors and Shareholders are referred to the Fund's Privacy Notice.

The Privacy Notice explains how the Fund processes personal data about individuals who invest in the Fund and who apply to invest in the Fund. The Privacy Notice also explains how the Fund processes personal data about the directors, officers and ultimate beneficial owners of institutional investors.

The Fund may update the Privacy Notice from time to time. The latest version of the Privacy Notice may be downloaded at the Fund's website ([www.heitman-ucits.com](http://www.heitman-ucits.com)).

Prospective investors and Shareholders must read and understand the Privacy Notice.

## 5 General Information

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- 5.1. Organisation
- 5.2. Meetings and Announcements
- 5.3. Reports and Accounts
- 5.4. Allocation of Assets and Liabilities among the Sub-Funds
- 5.5. Determination of the NAV of Shares
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### 5.1 Organisation

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* ("SICAV"). The Fund was incorporated in Luxembourg on 9 September 2014. The Articles of Incorporation were published in the *Mémorial, Recueil des Sociétés et Associations* on 9 October 2014. The Fund qualifies as an undertaking for collective investment under Part I of the Law of 2010. The Fund is registered with the Luxembourg Commercial and Companies' Register under number B 190554.

### 5.2 Meetings and Announcements

Annual Meetings of Shareholders are held at the registered office of the Fund or an adequate alternative location that shall be indicated in the convening notice on the third Thursday in the month of April at 3:00 p.m., or, if any such day is not a Business Day, on the next following Business Day, unless otherwise stated in the notice of convocation. Notices of all general meetings will be sent to the holders of registered Shares by registered post at least eight calendar days prior to the meeting at their addresses shown on the register of Shareholders. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of Incorporation.

Each whole Share confers the right to one vote. Approval from a simple majority of the Shareholders at a meeting of Shareholders of a Sub-Fund or a Class is required in respect of the payment of a distribution (if any) for a particular Sub-Fund or Class. Any change to the Articles of Incorporation must be approved by Shareholders at a general meeting of the Shareholders of the Fund.

#### Shareholders rights

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise their investor rights, notably the right to participate in general Shareholders' meetings, if the investor is registered in their own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary that itself invests into the Fund in its own name on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### 5.3 Reports and Accounts

Audited annual reports of the Fund shall be published within four (4) months following the end of the fiscal year of the Fund, and unaudited semi-annual reports shall be published within two (2) months following the period to which they refer. The annual and semi-annual reports shall be made available at the registered office of the Fund during ordinary office hours. The reports are also available on the Fund's website ([www.heitman-ucits.com](http://www.heitman-ucits.com)). Shareholders who wish to receive a physical copy of the Fund's annual and/or semi-annual reports must request this from the Fund. If such a request is received, the Fund will provide the relevant Shareholder with a physical copy of the Fund's annual and/or semi-annual reports free of charge.

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

#### **5.4 Allocation of Assets and Liabilities among the Sub-Funds**

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

- (a) the proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable;
- (b) where any asset is derived from another asset, such financial derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool; provided that all liabilities, whatever Sub-Fund they are attributable to, are, unless otherwise agreed upon with the creditors, only binding upon the relevant Sub-Fund; and
- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the NAVs of the relevant Sub-Funds.

The Fund may decide to create within each Sub-Fund one or more Classes whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund but where a specific sales or redemption charge structure, fee structure, minimum subscription amount or distribution policy may be applied to each Class. A separate NAV, which will differ as a consequence of these variable factors, will be calculated for each Class. If one or more Classes have been created within the same Sub-Fund, the allocation rules set out above shall apply, as appropriate, to such Classes. The Fund reserves the right to apply additional criteria as appropriate.

#### **5.5 Determination of the NAV per Share**

The NAV per Share of each Class is determined in its Reference Currency on each Valuation Day by dividing the NAV attributable to each Class by the number of Shares of such Class then outstanding. The number of decimals for the calculation of the NAV per Share will be rounded up to three decimal places. Fractions of Shares will be calculated by rounding down to three decimal places, and may be allocated as required.

The net assets of each Class are made up of the value of all the assets attributable to such Class less the total liabilities attributable to such Class determined as at the end of each Valuation Day.

The actual calculation of the value of the assets will take place on the next Business Day consistent with the following:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors or the Management Company, after consultation with the Investment Manager and such other resources as they may require, deem appropriate in such case to reflect the true value thereof;
- (b) the value of Transferable Securities, Money Market Instruments and any other assets which are quoted or dealt in on any stock exchange shall be based on the latest available closing prices, it being understood that the Board of Directors may in its discretion change this to the closing mid-market valuations or the valuation on a specific valuation point/time, and Transferable Securities, Money Market Instruments and any other assets traded on any other Regulated Market shall be valued in a manner as similar as possible to that provided for quoted securities;
- (c) The value of money market instruments not listed or dealt on any regulated market, stock exchange, or any other regulated market and with remaining maturity of less than twelve (12) months shall be valued by the amortised cost method, which approximates market value;
- (d) for non-quoted assets or assets not traded or dealt in on any stock exchange or other Regulated Market, as well as quoted or non-quoted assets on such other market for which no valuation price is available or assets for which the listed prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Board of Directors or the Management Company on the basis of foreseeable purchase and sale prices after first seeking input from the Investment Manager and if still uncertain then escalating it to the Board of Directors;
- (e) The Administrative Agent shall use the amortised cost method of valuation for short-term transferable debt securities in any Sub-Funds. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security or other instrument. While this method provides certainty in valuation, it may result in periods during which value as determined by amortised cost, is higher or lower than the price the Sub-Fund would receive if it sold the securities. This method of valuation will only be used in accordance with Committee of European Securities Regulators (CESR) (now the European Securities and Markets Authority,

“ESMA”) guidelines concerning eligible assets for investments by UCITS and only with respect to securities with a maturity at issuance or residual term to maturity of three hundred ninety-seven (397) days or less or securities that undergo regular yield adjustments at least every three hundred ninety-seven (397) days;

- (f) shares or units in underlying open-ended UCIs shall be valued at their last determined and available NAV or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors or the Management Company on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;
- (g) any money market instrument with a remaining maturity of less than ninety days at the time of purchase or securities whose applicable interest rate or reference interest rate is adjusted at least any ninety days on the basis of market conditions shall be valued at cost plus accrued interest from its date of acquisition, adjusted by an amount equal to the sum of (i) any accrued interest paid on its acquisition and (ii) any premium or discount from its face amount paid or credited at the time of its acquisition, multiplied by a fraction the numerator of which is the number of days elapsed from its date of acquisition to the relevant Valuation Day and the denominator of which is the number of days between such acquisition date and the maturity date of such instruments;
- (h) money market instruments with a remaining maturity of more than ninety days at the time of purchase shall be valued at their market price. When their remaining maturity falls under ninety days, they shall be valued in accordance with subsection (g);
- (i) liquid assets shall be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, shall be valued in the same manner;
- (j) the liquidating value of futures, forward and options contracts not traded on exchanges or on other regulated markets shall mean their net liquidating value determined by the Board of Directors or the Management Company on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors or the Management Company may deem fair and reasonable after seeking input from the Investment Manager and if still uncertain then escalating it to the Board of Directors;
- (k) the value of a credit default swap shall be determined by comparing it to the prevailing par market swap. A par market swap is one which can be initiated in the market today for no exchange of principal, and its deal spread is such that it results in the swap's market value being equal to zero. The spread between the initial default swap and the par market swap is then discounted as an annuity using relevant risk-adjusted discount rates. Par market swap rates will be obtained from a cross-section of market counterparties. Any other swaps shall be valued at their market value;
- (l) all other assets of any kind or nature will be valued at their net realisable value as determined in good faith by the Board of Directors or the Management Company in accordance with generally accepted valuation principles and procedures after seeking consultation from the Investment Manager if needed and if still uncertain, escalating it to the Board of Directors.

The Administrative Agent may seek authorisation from the Board of Directors to apply other appropriate valuation principles for the assets of the Fund and/or the assets of a given Class whenever the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the NAV.

The value of assets and liabilities of the Fund and any Sub-Funds is generally determined in accordance with Luxembourg generally accepted accounting principles. If, since the last Valuation Date, there has been a material change in the quotations on the stock exchanges or markets on which a substantial portion of the investments of the Fund attributable to a particular Class are quoted or dealt in, the Fund may, in order to safeguard the interests of the Shareholders and the Fund, cancel the first valuation and carry out a second valuation.

The NAV per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Fund and may also be available on the Fund's website ([www.heitman-ucits.com](http://www.heitman-ucits.com)).

## 5.6 Dilution Adjustment

The basis on which the assets of any Sub-Fund are valued for the purposes of calculating the NAV per Share is as follows:

- As described in Section 5.5, Listed Investments will be valued based on the closing mid-market price of such Investments or the last traded price when no closing mid-market price is available and at net asset value in the case of units/shares in collective investment undertakings.

- The NAV per Share will be arrived at by dividing the NAV attributable to a Class by the number of Shares of that Class in issue.

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-Fund may have a negative impact on the NAV per Share. Where subscriptions, redemptions, and conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell assets in the Sub-Fund, the value of these assets may be affected by the actual cost of acquiring or disposing them, which may deviate from the mid-market prices used in calculating the relevant NAV due to dealing charges, taxes, and any spread between acquisition and disposal prices of assets dealt in a Sub-Fund on that Valuation Day. These costs could have an adverse effect on the NAV of the Sub-Funds, known as “dilution”. In order to protect existing or remaining investors from the possible effects of dilution the Fund may adjust the NAV per Share in a Sub-Fund to take into account and mitigate the possible effects of dilution. Also referred to as ‘swing pricing’, such dilution adjustment will be made in accordance with criteria set by the Board of Directors from time to time including whether the costs of investing or divesting the net inflows into or outflows from a Sub-Fund on a Valuation Day will create in their opinion a material dilutive impact. Where the Board of Directors has determined to implement swing pricing in a Sub-Fund and whenever the net inflow or net outflow from a Sub-Fund exceeds a threshold prescribed by the Board of Directors then the NAV per Share will, respectively, be adjusted upward or downward by a factor not exceeding the maximum amount described in the relevant Sub-Fund Appendix. This factor represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated dealing charges, taxes and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. Such adjustments may only be exercised for the purpose of reducing dilution in a Sub-Fund.

### **5.7 Temporary Suspension of Determination of the NAV, Issues, Redemptions and Conversions**

The determination of the NAV per Share of one or more Classes of a Sub-Fund may be suspended:

- (a) during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable; or
- (c) during any breakdown in the means of communication or computation normally employed in determining the price or value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; or
- (d) during any period when the Fund is unable to repatriate money for the purpose of making payments on the redemption of Shares or during which any transfer of money involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot be effected at normal rates of exchange; or
- (e) during or following the existence of any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Fund or its Shareholders might not otherwise have suffered; or
- (f) from the time of the publication or dispatch of a notice convening an extraordinary general meeting of Shareholders to dissolve the Fund; or
- (g) following the suspension of the calculation of the net asset value per share/unit at the level of a master fund in which the Sub-Fund invests in its capacity as feeder fund of such master fund, to the extent applicable. The relevant Sub-Fund may suspend the issue and redemption of its Shares from its Shareholders, as well as the conversion from and to Shares of each class, following the suspension of the issue, redemption and/or conversion at the level of a master fund in which such Sub-Fund invests in its capacity as a feeder fund of such master fund, to the extent applicable.

The Fund reserves the right to suspend the issue, redemption and conversion of Shares in one or more Classes for any period during which the determination of the NAV per Share of the Sub-Fund(s) concerned is suspended by the Fund by virtue of the reasons described above. Any redemption or conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to the Fund before the end of such suspension period. Should such withdrawal not be effected, the Shares in question shall be redeemed or converted, as applicable, on the first Valuation Day following the termination of the suspension period. Investors who have requested the purchase, redemption or conversion of Shares shall be informed when such request is made of any then pending suspension of redemptions or conversions. In the event where such suspension period exceeds the period initially determined by the Board of Directors, all Shareholders of the Class concerned shall be informed.

## 5.8 Liquidation of the Fund – Liquidation of Sub-Funds

### a) The Fund

The Fund is incorporated for an unlimited period, and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders subject to the quorum and majority requirements as referred to in the Articles. This meeting will be convened in compliance with Luxembourg law:

Special provisions apply in the following cases:

- If the net assets of the Fund fall below two-thirds of the minimum capital as required by law (currently €1,250,000), approval from a simple majority of the Shares represented at a general meeting without any quorum requirement would be required; and
- If the net assets of the Fund fall below one-fourth of the minimum capital as required by law, approval from the Shareholders holding one-quarter of the Shares present at a general meeting without any quorum requirement would be required.

In the two cases mentioned above, the general meeting will be convened so that it is held within a period of forty (40) days from the date on which it is ascertained that the net assets of the Fund has fallen below two-thirds or one-fourth of the legal minimum, as applicable.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law of 2010 which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of the liquidation. Amounts not claimed within the prescribed period would be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of each Class of the Sub-Fund in proportion to their respective holdings of such Class.

The liquidation of the last remaining Sub-Fund will result in the liquidation of the Fund as referred to in Article 145 (1) of the Law of 2010 and as described above, and will require the vote of an extraordinary general meeting of Shareholders.

### b) The Sub-Funds

The Board of Directors may decide to liquidate any Sub-Fund (i) if the net assets of such Sub-Fund fall below a level considered by the Board of Directors to be too low for that Sub-Fund to continue to be managed efficiently; (ii) if an unfavourable economic or political change would justify such liquidation as decided by the Board of Directors; or (iii) in the event of a product rationalisation decided by the Board of Directors.

Shareholders will be notified by registered letter of the decision to liquidate prior to the effective date of the liquidation, and the letter will indicate the reasons for, and the procedures of, the liquidation. Unless the Fund decides otherwise in the interests of the Shareholders, or to keep equal treatment among the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge.

No later than nine (9) months after a decision of the Board of Directors to terminate a Sub-Fund, (i) the liquidation of the Sub-Fund will be closed and (ii) such proceeds of the liquidation which the Directors have been unable to distribute to their beneficiaries shall be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

## 5.9 Merger of the Fund – Merger of Sub-Funds

### 1) The Fund

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of the Fund, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS or UCI (the “**New Fund**”); or
- a sub-fund thereof,

and, as appropriate, to redesignate the Shares of the Fund concerned as shares of the New Fund, or of the relevant sub-fund thereof as applicable.

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

In the case the Fund is involved in a merger and is the absorbed UCITS (within the meaning of the Law of 2010), and hence ceases to exist, the general meeting of the Shareholders, rather than the Board of Directors, has to approve,

and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting.

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

## 2) The Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing or new Sub-Fund within the Fund or another sub-fund within a New Fund (the “**New Sub-Fund**”); or
- a New Fund,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as shares of the New Fund, or of the New Sub-Fund as applicable.

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

## General

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

### **5.10 Material Contracts**

The following material contracts have been or shall be entered into:

(a) a management company services agreement between the Fund and the Management Company (the “**Management Company Services Agreement**”) pursuant to which the latter shall act as management company of the Fund. In addition, the Management Company shall act as Administration Agent, Corporate and Domiciliary Agent, Registrar and Transfer Agent, Paying Agent. Finally, the Management Company is entrusted with the investment management functions which are delegated to the Investment Manager. This Management Company Services Agreement is entered into for an unlimited period and is terminable by the Fund or the Management Company upon a three (3) month’s written notice to the other, provided that either the Fund or the Management Company may terminate the Management Company Services Agreement immediately under certain conditions.

(b) an investment management agreement between the Fund, the Management Company and the Investment Manager (the “**Investment Management Agreement**”) pursuant to which the latter shall act as Investment Manager of the Fund. This Investment Management Agreement is entered into for an unlimited period and is terminable by the Fund, the Management Company or the Investment Manager upon three (3) month’ written notice to the other, provided that either the Fund, the Management Company or the Investment Manager may terminate the Investment Management Agreement immediately under certain conditions.

(c) a depositary agreement effective as of 7 May 2019 between the Fund, the Management Company and the Depositary (the “**Depositary Agreement**”) pursuant to which the latter is appointed depositary for (i) the safekeeping of the cash, securities and all other assets of the Fund to be entrusted to its custody and (ii) the supervision and record keeping, in accordance with applicable laws, of all assets of the Fund that are not or cannot be technically "entrusted to" or "kept in safe custody by" the Depositary. This Depositary Agreement is entered into for an unlimited period and is terminable without cause by the Depositary, the Management Company or the Fund upon a ninety (90) calendar days’ written notice to the other, provided that either the Fund, the Management Company or the Depositary may terminate the Depositary Agreement immediately or with a shorter notice under certain conditions.

### **5.11 Documents**

#### **5.11.1 Prospectus, KIIDs and Articles of Incorporation and Periodical Reports**

Copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg or via the Fund’s website ([www.heitman-ucits.com](http://www.heitman-ucits.com)). Such reports form an integral part of this Prospectus.

### 5.11.2 Complaints Handling

A person having a complaint to make about the operation of the Fund may submit such complaint in writing to the Management Company at its registered office. The details of the Management Company's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg. It is also available on the Management Company's website ([www.group.pictet/asset-services/fundpartner-solutions](http://www.group.pictet/asset-services/fundpartner-solutions)).

### 5.11.3 Best Execution

The Management Company's best execution policy sets out the basis upon which the Management Company will effect transactions and place orders in relation to the Fund whilst complying with its obligations under the CSSF Regulation No. 10-04 and the CSSF Circular 18/698 to obtain the best possible result for the Fund and its Shareholders. Details of the Management Company's best execution policy may be obtained free of charge during normal office hours at the registered office of the Management Company in Luxembourg.

### 5.11.4 Strategy for the Exercise of Voting Rights

The Management Company has a strategy for determining when and how voting rights attached to ownership of the Fund's investments are to be exercised for the exclusive benefit of the relevant Sub-Fund(s). A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained free of charge during normal office hours at the registered office of the Management Company in Luxembourg.

## 5.12 Potential Conflicts of Interest

The Board of Directors, the Management Company, the Investment Manager, the Depositary and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

In particular, the Investment Manager and its respective affiliates, members, employees, may have an interest that may conflict with the ability of the Investment Manager to act in the best interests of the Fund or a Sub-Fund.

The Investment Manager and its affiliates may invest in, transact with and provide services for the Fund or a Sub-Fund and charge and receive fees in the ordinary course of business. The Fund or a Sub-Fund may invest in securities issued or underwritten by the Investment Manager or its affiliates.

The Investment Manager has policies and procedures in place to identify, prevent or manage any potential conflicts of interest arising from related party transactions, with a view to ensuring that all such transactions will be effected on terms which are not materially less favourable to the Fund or a Sub-Fund than if the potential conflict had not existed.

The Investment Manager also has policies and procedures in place requiring it to act in the best interests of the Fund and any Sub-Funds so far as it is practicable having regard to its obligations to other clients, when undertaking any investment where potential conflicts of interest may arise.

Where conflicts of interest cannot be avoided by the Investment Manager, these should be disclosed to the Fund and the Fund and the Sub-Funds should be treated in a fair way.

Finally, the Management Company and the Depositary and their respective affiliates, members, employees, may have an interest that may conflict with the ability of the Management Company and the Depositary to act in the best interests of the Fund or a Sub-Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Board of Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

## 5.13 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 profile of the Fund's rules, this Prospectus or the Articles of Incorporation nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (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 Fund or the Sub-Funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest. In particular, the Remuneration Policy will ensure that:

- (a) 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;
- (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (c) 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;
- (d) 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;
- (e) if at any point of time, the management of the Fund were to account for 50% or more of the total portfolio managed by the Management Company, at least 50% of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
- (f) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [www.group.pictet/fps](http://www.group.pictet/fps).

A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

## 6 Management and Administration

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### 6.1. Board of Directors

### 6.2. Management Company

### 6.3. Administration Agent, Corporate and Domiciliary Agent, Registrar and Transfer Agent and Paying Agent

### 6.4. Investment Manager

### 6.5. Depositary

#### 6.1 Board of Directors

The members of the Board of Directors will be elected by the general meeting of Shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Incorporation to the general meeting of Shareholders.

The Board of Directors has overall responsibility for the management and administration of the Fund, any Sub-Funds and the corresponding Classes, for authorising the creation of new Sub-Funds and Classes and for establishing their investment policies and restrictions, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

Mr. Taavi Davies and Mr. Gregory Cremen, the Independent Directors of the Fund, will receive from the assets of the Fund fees for acting as Directors. Mr. William Pogorelec, who is senior officer of Heitman and non-independent Director, has waived any fee or expense reimbursement from the Fund for acting as Director.

#### 6.2 Management Company

The Board of Directors has appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company of the Fund (the "**Management Company**") within the meaning of the Law of 2010 and pursuant to a management company services agreement entered into between the Fund and the Management Company with effect as of 15 April 2019 (the "**Management Company Services Agreement**").

FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law for an indefinite period on 17 July 2008, under the denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

The Management Company will provide, subject to the overall supervision and control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration (including corporate and domiciliary services), registrar and transfer agency services; and (iii) distribution services to the Fund.

The rights and duties of the Management Company are further set out in articles 101 et seq. of the Law of 2010.

The Management Company must at all times act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the Law of 2010, this Prospectus and the Articles of Incorporation.

The Management Company is vested with the day-to-day management and administration of the Fund. In fulfilling its duties pursuant to the Law of 2010, and the Management Company Services Agreement, the Management Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.

The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles of Incorporation, and the relevant provisions of the Management Company Services Agreement, as well as the Law of 2010.

In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles of Incorporation, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the Law of 2010. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.

The Management Company shall be careful and diligent in the selection, and monitoring of the third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorization required to carry out the functions delegated to such third parties.

The investment management functions have been delegated by the Management Company to a third party, as further set out in this Prospectus.

At the date of this Prospectus, the Management Company has also been appointed to act as the management company for other investment funds, the list of which is available at the registered office of the Management Company and which will be set out in the Management Company's annual reports.

### **Conducting officers**

The conducting persons of the Management Company are responsible for the conduct of the day-to-day business of the Management Company. The conducting persons, acting as a management committee, shall have the duty to ensure that the different service providers to which the Management Company has delegated certain functions (comprising, *inter alia*, the Investment Manager) perform their functions in compliance with the Law of 2010, the CSSF Regulation No. 10-04, the CSSF Circular 18/698, the Articles of Incorporation, the Prospectus and the provisions of the contracts that have been entered into between the Management Company, the Fund and each of them. The conducting persons shall also ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Sub-Funds' investment policies. The conducting persons shall also report to the board of directors of the Management Company on a regular basis and inform the board of directors of the Management Company without delay of any non-compliance of the Fund with the investment restrictions.

### **6.3 Administration Agent, Corporate and Domiciliary Agent, Registrar and Transfer Agent and Paying Agent**

The administration agent services, the corporate and domiciliary agency services, the registrar and transfer agent services and the paying agency functions of the Fund are undertaken by FundPartner Solutions (Europe) S.A., the Management Company of the Fund.

Pursuant to the Management Company Services Agreement, FundPartner Solutions (Europe) S.A. provides the Fund with the services of Administration Agent, Corporate and Domiciliary Agent, Registrar and Transfer Agent and Paying Agent.

As Registrar and Transfer Agent, FundPartner Solutions (Europe) S.A. is primarily responsible for ensuring the issue, conversion and redemption of shares and maintaining the register of Shareholders of the Fund.

As Administrative Agent and Paying agent, FundPartner Solutions (Europe) S.A. is responsible for calculating and publishing the net asset value of the shares of each Sub-Fund pursuant to the Law of 2010 and the Articles of Incorporation and for performing administrative and accounting services for the Fund as necessary.

As Corporate and Domiciliary Agent, FundPartner Solutions (Europe) S.A. is primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Fund, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Fund.

### **6.4 Investment Manager**

In order to implement the investment policy of a Sub-Fund, the Management Company will delegate the investment management of the assets of one or several Sub-Funds to an investment manager pursuant to a written investment management agreement (each such agreement, an "**Investment Management Agreement**").

The Management Company has delegated the investment management of the assets of Heitman Global Prime Sub-Fund to Heitman Real Estate Securities LLC, a Chicago-based company organized as a limited liability company under the laws of the State of Delaware, USA and whose registered office is at 191 North Wacker Drive, Suite 2500, Chicago, IL 60606, USA. Heitman Real Estate Securities LLC is registered as an investment adviser with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended, and provides both discretionary and non-discretionary asset management services.

Heitman Real Estate Securities LLC was established in 1989 and is a subsidiary of Heitman LLC ("**Heitman**"), a broad based, global real estate investment management firm headquartered in Chicago, Illinois, USA, with approximately US\$42 billion in assets under management as of December 31, 2018. Through its operating subsidiaries, Heitman makes and manages investments in commercial real estate through private equity placements, private debt positions and public real estate securities in North America, Europe and Asia-Pacific. Heitman began investing in and managing directly held interests in European real estate in 1995. Since then, Heitman has sponsored several specialised investment funds in Luxembourg that invest in direct and indirect interests in European real estate.

As for public real estate securities, Heitman is one of the most experienced public real estate securities investment managers in the world, having continuously managed North American portfolios since 1989 through Heitman's regulated operating subsidiary, Heitman Real Estate Securities LLC. Heitman began investing in European public real estate securities in 2006 through Heitman International Real Estate Securities GmbH and in Asia-Pacific public real estate securities in 2010 through Heitman's regulated operating subsidiary, Heitman International Real Estate Securities Pty Ltd located in Melbourne, Australia, and since 2013 has been investing in Asia-Pacific public real estate securities through Heitman's regulated operating subsidiary, Heitman International Real Estate Securities HK Limited located in Hong Kong.

All of Heitman's real estate public securities business units provide discretionary and non-discretionary advisory and subadvisory services for portfolios consisting of publicly-traded REITs and other publicly-traded real estate-related securities.

Pursuant to the relevant Investment Management Agreements and this Prospectus, each Investment Manager has discretion, on a day-to-day basis, to purchase and sell securities and otherwise to manage the relevant Sub-Fund's assets. The Investment Manager or the Management Company may appoint sub-investment managers from time to time to provide investment management services in respect of the investments of each Sub-Fund for which it acts as Investment Manager ("**Sub-Investment Managers**"). The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for ensuring that each Sub-Fund complies with its investment policy and restrictions.

An Investment Manager may from time to time also engage a collateral manager in connection with a Sub-Fund's derivative investments.

Each Investment Manager shall exercise the powers granted under its Investment Management Agreement, and discharge its duties thereunder, honestly, in good faith and in the best interests of the Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent investment manager would exercise in the circumstances, but such Investment Manager shall only be liable to the extent that any loss results from the Investment Manager's wilful misconduct, bad faith or negligence.

## 6.5 Depositary

Pictet & Cie (Europe) S.A. has been appointed by the Fund as the Depositary for (i) the safekeeping of the assets of the Fund, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as are agreed from time to time and reflected in the Depositary Agreement .

The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 15A, avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Luxembourg Trade and Companies' Register under number B32060. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

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

The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or they can also be held by any third-party delegate for which the Depositary must ensure that they provide, in principle, the same guarantees as the Depositary itself, *i.e.* for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depositary on behalf of the Fund.

In addition, the Depositary shall also ensure:

- (a) that the sale, issue, repurchase, redemption and cancellation of the Shares of the Fund are carried out in accordance with Luxembourg law and the Articles of Incorporation;
- (b) that the value of the Shares of the Fund is calculated in accordance with Luxembourg law and the Articles of Incorporation;
- (c) to carry out the instructions of the Management Company, unless they conflict with Luxembourg law or the Articles of Incorporation;
- (d) that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (e) that the Fund's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation.

The Depositary regularly provides the Fund and its Management Company with a complete inventory of all assets of the Fund.

### ***Delegation of functions***

Pursuant to the provisions of the UCITS Directive and of the Depositary Agreement, the Depositary, subject to certain conditions and in order to effectively conduct its duties, may delegate part or all of its safekeeping duties over the Fund's assets set out in the UCITS Directive, to one or more third-party delegates appointed by the Depositary from time to time and which may include, for the avoidance of any doubt, any of the Depositary's affiliates.

The Depositary shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

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

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary and is available on [http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

Pursuant to the UCITS Directive, the Depositary and the Fund will ensure that, where (i) the law of a third country requires that certain financial instruments of the Fund be held in custody by a local entity and there are no local entities in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision and (ii) the Fund instructs the Depositary to delegate the safekeeping of these financial instruments to such a local entity, the Shareholders shall be duly informed, prior to their investment, of the fact that such delegation is required due to the legal constraints of the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation.

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

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its delegates of other services to the Fund, the Management Company and/or other parties. As indicated above, the Depositary's affiliates are also appointed as delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid reputational damage), legal recourse risk (reluctance or avoidance to take legal steps against the delegates), selection bias (the choice of the delegates not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the delegates' solvency) or single group exposure risk (intragroup investments).

The Depositary (or any of its delegates) may in the course of its business have interests which conflict or which may potentially conflict with those of the Fund and/or other funds for which the Depositary (or any of its delegates) acts.

The Depositary has pre-defined all kinds of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Fund either by the Depositary itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. This list of potential conflicts of interest is available free of charge from the registered office of the Depositary and on the following website:  
[https://www.group.pictet.com/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](https://www.group.pictet.com/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

On a regular basis, the Depositary re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Fund and the Shareholders. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's depositary functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

The Depositary, the Management Company or the Fund may terminate the Depositary Agreement at any time upon a ninety (90) calendar days' written notice to the other, provided that either the Fund, the Management Company or

the Depositary may terminate the Depositary Agreement immediately or with a shorter notice under certain conditions provided that the Depositary Agreement shall not terminate until a replacement depositary is appointed.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary's registered office.

## 7 Management and Fund Charges

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- 7.1. Management Fee
- 7.2. Management Company Fee
- 7.3. Performance Fees
- 7.4. Fees of the Depositary
- 7.5. Initial Sales Charge and Conversion Charge
- 7.6. Operating and Administrative Expenses
- 7.7. Transaction Costs
- 7.8. Research Charges
- 7.9. Extraordinary Expenses

### 7.1 Management Fee

Each Sub-Fund is charged a management fee for the investment management services of the Investment Manager. Such management fee is calculated as a percentage of the average NAV of each Sub-Fund or Class under its management. Management fees are accrued on each Valuation Day and payable monthly in arrears at the rate specified in the Appendix for each Class of a Sub-Fund.

In case the Investment Manager designates any Sub-Investment Managers, the fees of such Sub-Investment Managers shall be paid by the Investment Manager out of its own fees.

### 7.2 Management Company Fee

Each Sub-Fund is charged a management company fee for the services of the Management Company. Such management fee is calculated as a percentage of the average NAV of each Sub-Fund or Class under its management. Management company fee are accrued on each Valuation Day and payable quarterly in arrears at the rate specified in the Appendix for each Class of a Sub-Fund.

### 7.3 Performance Fees

The Investment Manager of certain Sub-Funds may also be entitled to receive a performance fee. The performance fee is calculated and accrued at each Valuation Day on the basis of the NAV after deducting all expenses, all fees (but not the performance fee) and adjusting for subscriptions and redemptions during the relevant performance period so these will not affect the performance fee payable.

Details regarding the calculation and payment of Performance Fees are contained in the relevant Sub-Fund Appendix.

### 7.4 Fees of the Depositary

Pictet & Cie (Europe) S.A. as the Depositary, is entitled to receive its fees, out of the assets of each Sub-Fund. In general, the fee is calculated based on the average net assets of each Class within each Sub-Fund during the relevant month, and will fluctuate depending on the assets of the Fund and the transactions made. In addition, Pictet & Cie (Europe) S.A. as the Depositary, is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements.

### 7.5 Initial Sales Charge and Conversion Charge

The Management Company and/or distributors appointed by the Management Company may retain any initial sales charge and/or conversion charge payable by investors.

### 7.6 Operating and Administrative Expenses

The Fund bears all of its ordinary operating expenses (“**Operating and Administrative Expenses**”) including but not limited to: the Luxembourg asset-based *taxe d’abonnement* up to the maximum rate referred to under “Taxation” below (“*taxe d’abonnement*”); remuneration (where applicable) for the Directors, the Conducting Persons and other reasonable travelling or out-of-pocket expenses incurred by the Fund and its Board of Directors and Conducting Persons; legal and auditing fees and expenses; initial and ongoing registration and listing fees, including translation expenses; fund administration and custody expense, office lease expenses, and the costs and expenses of preparing, printing, and distributing this Prospectus, financial reports and other documents made available to its Shareholders. Operating and Administrative Expenses do not include Transaction Costs and Extraordinary Expenses (as defined below).

The Fund’s formation expenses and the expenses relating to the creation of new Sub-Funds may be capitalised and amortised over a period not exceeding five (5) years. The new Sub-Funds will also bear a respective part of the expenses with respect to the formation of the Fund as a whole. In addition, any value added tax (“**VAT**”) associated with any fees and expenses will be charged to the Fund.

### **7.7 Transaction Costs**

Each Sub-Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, such as brokerage fees and commissions, interest or taxes payable, collateral management fees and associated costs and charges to the extent approved by the Investment Manager, exchange fees (as applicable), and other transaction-related expenses ("**Transaction Costs**").

The fees of a collateral manager and any associated costs and charges will be paid out of the assets of the relevant Sub-Fund to the collateral manager.

### **7.8 Research Charges**

In accordance with applicable laws and regulations, third party research received by the Investment Manager, including through its affiliates, in connection with investment management services provided with respect to the Fund may be charged to the Fund by the Investment Manager via its affiliates and paid out of the assets of the relevant Sub-Fund via a research payment account set up by an affiliate of the Investment Manager.

### **7.9 Extraordinary Expenses**

The Fund or any Sub-Fund may bear any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary expenses ("**Extraordinary Expenses**").

## 8 Investment Strategies

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### 8.1. Investment Strategies of the Sub-Funds

### 8.2. Risk Factors

#### 8.1 Investment Strategies of the Sub-Funds

The Fund has determined the investment objective and investment policy of each of the Sub-Funds as described in the Appendices to this Prospectus. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and investment policy of any Sub-Fund must be in compliance with the limits and restrictions set out in Section 9.1 “Investment Restrictions”.

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

Unless specified in the Appendix of the relevant Sub-Fund, (i) the Sub-Funds are considered as falling within the scope of Article 6 of the SFDR as they do not promote Sustainability Factors and do not maximize portfolio alignment with Sustainability Factors and (ii) the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment. The Sub-Funds however remain exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. The Sustainability Risks generally revolve around the following themes:

- corporate governance malpractices (e.g. board structure, executive remuneration);
- shareholder rights (e.g. election of directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and
- work practices (e.g. observation of health, safety and human rights provisions).

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which a Sub-Fund invests, this may be because of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company’s management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risks events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country. For instance, sector and geographic Sustainability Risk events may have an impact on the investment value of the sovereign fixed income exposure of a Sub-Fund.

In particular, it is expected that each of the Sub-Funds be exposed to a various range of Sustainability Risks resulting from their individual strategy and exposures to specific sectors, issuers and asset classes. Nevertheless, given the high level of diversification and risk-spreading of the Sub-Funds, and except otherwise specified in the Appendix of the relevant Sub-Fund, it is not anticipated that the Sustainability Risks to which each Sub-Fund may be exposed cause a material impact on their respective returns. Where deemed relevant, additional information and details on the Sub-Funds’ Sustainability Risk(s) will be included in the relevant Appendix.

For the purposes of Article 7(2) of SFDR, the Management Company confirms in relation to the Fund and each Sub-Fund that it does not consider the adverse impacts of investment decisions on Sustainability Factors at the present time. The main reasons for which the Management Company is currently not considering adverse impacts is the absence of sufficient data and data of a sufficient quality to allow the Management Company to define material metrics for disclosure.

The Management Company intends to monitor the industry position closely and to update its approach in due course as the industry position evolves and further regulatory guidance is made available. Pictet Group, of which the Management Company is an integral part, has committed to comply with the provisions of a number of international and Swiss codes for responsible investment. In addition, as outlined in the Group's Sustainability & Responsible Ambitions 2025, it is Pictet's intention to not only consider, but mitigate where possible, material adverse impacts of investments and operations. The Management Company expects to consider the adverse impacts of investment decisions on Sustainability Factors by the end of 2022.

## **8.2 Risk Factors**

### **General Investment Risk**

The value of a Sub-Fund can change from day-to-day because the value of the securities in which it invests can be affected by changes in interest rates, the general financial market and economic conditions or individual company news. As a result, at the time of redemption, Shares may be worth more or less than the original purchase Price. Listed below are some of the specific risks that can affect the value of Shares. Please refer to the Sub-Fund descriptions in the Appendices to determine which risks apply to each Sub-Fund.

### **Basis Risk**

This may occur when the prices of two assets which normally follow an established relationship to one another show a large change in their relative prices. This could lead to capital losses for a Sub-Fund if it has positions in both and they move in an unfavourable direction.

### **Counterparty Risk**

A Sub-Fund may enter into transactions with counterparties, thereby exposing it to the counterparties' credit worthiness and their ability to perform and fulfil their financial obligations. This risk may arise at any time that Sub-Fund's assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. In addition, the Fund may enter into contracts with service providers and other third party contractors (the "**Service Providers**"). This risk means that in certain circumstances (including but not limited to force majeure events) the Service Providers may not be able to perform or fulfil their contractual obligations to the Fund. This could result in periods where the normal trading activity of the Fund may be affected or disrupted.

### **Credit Risk**

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies, governments and special purpose vehicles (such as vehicles that issue asset backed securities or mortgage backed securities) that borrow money, and the debt securities they issue, are rated by specialised rating agencies. Debt securities issued by companies or governments in emerging markets often have higher credit risk (lower rated debt), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). A downgrade in an issuer's credit rating or other adverse news regarding an issuer can influence a debt securities market value. Other factors can also influence a debt securities market value such as the level of liquidity of the security, a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss. A Sub-Fund that invests in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

### **Currency Risk**

A Sub-Fund may invest in securities denominated in a number of different currencies other than the Reference Currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in another currency. For example, if the Reference Currency of a Sub-Fund is the U.S. dollar, and the U.S. dollar rises relative to the Euro, a Sub-Fund's holdings denominated in Euros will be worth fewer U.S. dollars. This decline in relative currency value may reduce, or even eliminate, any investment return a Sub-Fund has earned. Currency exposure may increase the volatility of foreign investments relative to investments denominated in the Reference Currency. A Sub-Fund may hedge the risk of changes in currency exchange rates of its underlying assets. Reference should be made to the investment policy for each Sub-Fund for information regarding the currency hedging policy for each Sub-Fund.

In addition, if an investor purchases a Class that is denominated in a currency other than the Reference Currency, there will be exposure to currency risk. This exposure is in addition to the currency risk, if any, that applies to such Sub-Fund.

## **Exposure to Property and Property Securities**

The performance of property securities is not always indicative of the performance of the property market as a whole. Property investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing and ownership and operation and disposal of real property.

Property securities are subject to the general risks associated with each type of property security (as described in other paragraphs of Section 8.2) as well as to the risks associated with direct ownership of real estate, including, without limitation, declines in property values; increases in property taxes, operating expenses, interest rates or competition; overbuilding; zoning changes; risks related to general and local economic conditions; eminent domain; fluctuations in rental income; changes in neighbourhood values; the appeal of properties to tenants; and losses from casualty or condemnation.

Issuers of certain property securities may also be affected by the possibility of failing to qualify for tax-free pass-through of income under applicable income tax regulations in the jurisdiction of the companies.

## **Derivative Risk**

A derivative is a type of investment whose value is derived from the performance of other investments or from the movement of interest rates, exchange rates or market indices.

There are many different types of derivatives – they usually take the form of a contract to buy or sell a specific commodity, currency, security or market index. The most common types of derivatives are:

- a futures or forward contract – these are agreements made on any day to buy or sell a particular currency, security or market index on a specific day in the future at a specified price;
- an option contract – these are agreements that give the buyer the right, but not the obligation, to buy or sell certain securities within a certain time period, at a specified price; and
- a swap agreement – these are negotiated contracts between parties often agreeing to exchange payments based on returns of different investments. The most common type is an interest rate swap. Party A agrees to pay Party B a fixed amount based on a pre-set interest rate. In return, Party B agrees to pay Party A a floating amount based on a reference rate such as a commercially acceptable benchmark as agreed to by the parties.

Derivatives can help a Sub-Fund achieve its investment objectives and may be used in three different ways:

- to protect against or limit the changes in the value of an investment that may result from changes in interest rates, foreign exchange rates, commodity prices and stock prices;
- as a substitute to investing directly in a particular security or market. A Sub-Fund may use derivatives instead of buying the actual security because it may be cheaper or more efficient; or
- as a substitute for investing directly in a currency as part of the overall investment strategy of a Sub-Fund. A portfolio manager may take the view that a currency will underperform or outperform another currency over a period of time and use currency forwards to take on currency exposure on a short or long-term basis.

Derivatives have their own special risks. Here are some of the common ones:

- Using derivatives for hedging may not always work and it could limit a Sub-Fund's potential to make a gain.
- Using derivatives for non-hedging does not protect a Sub-Fund from a decline in the value of the underlying security, currency or market for which the derivative is a substitute.
- The price of a derivative may not accurately reflect the value of the underlying currency or security.
- There is no guarantee that a Sub-Fund can close out a derivative contract when it wants to. If, for example, a stock exchange imposes trading limits, it could affect the ability of a Sub-Fund to close out its position in derivatives. This type of event could prevent a Sub-Fund from making a profit or limiting its losses.
- The other party to a derivative contract – the counterparty - may not be able to live up to its agreement to complete the transaction. In general, credit ratings are relied on as indications of the ability of the other party to live up to its agreement.

## **Contracts for Differences (“CFDs”)**

A contract for difference is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value when crystallised or upon reset. If the difference is negative, then the buyer pays instead to the seller.

Contracts for differences allow investors to take synthetic long or synthetic short positions with a variable margin, which unlike future contracts, have no fixed expiry date or contract size. Unlike equity securities, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.

The Fund or Sub-Fund will therefore employ risk management techniques with the aim of ensuring it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from contracts for differences and other techniques and instruments.

### **Swaps and Synthetic Securities Risk**

A portion of a Sub-Fund's investments may consist of equity swaps, credit default swaps and other synthetic securities the reference obligations of which may be equity indices, leveraged loans, high-yield debt securities or similar securities for which the underlying exposure shall comply with the Law of 2010. Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments. With respect to each synthetic security, a Sub-Fund will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the reference obligation. A Sub-Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation. In addition, a Sub-Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the relevant Sub-Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, that Sub-Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities entered into with any one counterparty will subject that Sub-Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor.

Additionally, while the Investment Manager expects that the returns on a synthetic security will generally reflect those of the related reference obligation, as a result of the terms of the synthetic security and the assumption of the credit risk of the synthetic security counterparty, a synthetic security may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default. Additionally, when compared to the reference obligation, the terms of a synthetic security may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the synthetic security, the terms of the synthetic security may permit or require the issuer of such synthetic security to satisfy its obligations under the synthetic security by delivering to the relevant Sub-Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

### **Commodity Risk**

A Sub-Fund may be invested in a UCITS eligible product providing exposure to commodity markets. Commodity markets are highly volatile and they are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence commodity prices, world political and economic events, and changes in interest rates.

### **Dilution Adjustment Risk**

Dilution Adjustment refers to the practice of, in certain circumstances, adjusting a Sub-Fund's NAV per Share to compensate that Sub-Fund for expected trading costs in acquiring or disposing of assets. This practice, also known as "swing pricing", protects existing or remaining Shareholders as best as possible from the expenses related to the purchase and/or sale of securities held by a Sub-Fund. As described in Section 5.6 of this Prospectus, a Sub-Fund may implement a Dilution Adjustment under certain circumstances. As a result, investors purchasing Shares may pay a Price higher than the concurrent NAV per Share of the Sub-Fund and investors redeeming Shares on another Valuation Day may receive a Price lower than the concurrent NAV per Share of the same Sub-Fund. This Dilution Adjustment to the NAV per Share will be excluded for the purposes of calculating Performance Fees paid to the Sub-Fund's Investment Manager. Consequently, for those investors who deal in Shares on a Valuation Day when the NAV per Share is subject to a Dilution Adjustment, the realised or unrealised return on their investment in Shares may be different than that which is used to calculate the Performance Fees paid to a Sub-Fund's Investment Manager. For example, an investor buys Shares on a Valuation Day on which the Sub-Fund's NAV per Share is subject to a Dilution Adjustment of, say, a 0.15% premium where the resulting Price has been adjusted upwards relative to the NAV per Share to compensate for trading costs incurred in acquiring assets. Later, the same Sub-Fund's NAV per Share may go up an equivalent 0.15% due to market action. The Sub-Fund may, in such instance, be charged (under certain circumstances) a performance fee for that 0.15% increase in the NAV per Share even though the realised or unrealised gain for the Shareholder who held Shares for the exact same period is zero. This is because the Dilution Adjustment of a 0.15% premium on the date of purchase off-set the performance over the same period that was calculated based on the unadjusted NAVs per Share.

### **Volatility Risk**

A Sub-Fund may have investments that are likely to appreciate or decrease significantly in value over short periods of time. This may cause a Sub-Fund's NAV per Share to experience significant increases or decreases in value over short periods of time.

### **Risk Associated with the Use of Over-The-Counter Instruments**

Over-The-Counter Instruments are not traded on organised markets and they benefit from little or no standardisation. There are no limits on daily price changes and the limits on speculative positions are not applicable, which increases the risk for a Sub-Fund's portfolio invested in this type of instruments. Over-The-Counter Instruments involve counterparty risk and expose a Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions or delays in settlement may result from disputes over the terms of the contract. The valuation of over-the-counter derivative transactions is also subject to greater uncertainty and variation than that of exchange-traded derivatives.

### **Exchange-Traded Notes ("ETNs")**

ETNs are unsecured debt securities subject to the credit risk of the issuer. ETNs are not equivalent to exchange traded funds or ETFs that are typically registered investment companies that hold an underlying portfolio of securities. ETNs are riskier than ordinary unsecured debt securities and have no principal protection. Risks of investing in ETNs include limited portfolio diversification, trade price fluctuations, uncertain principal repayment and illiquidity. Investing in ETNs is not equivalent to investing directly in an index or in any particular index components.

The principal of the ETN is not protected. Any cash payment of the ETN on the maturity date or repurchase date will be based upon the month over month performance of the index factor prior to the maturity date or the repurchase date, subject to the investor fee. The investor fee will reduce the amount of the return of the ETN at maturity or on redemption, and as a result, a Sub-Fund may receive less than the principal amount of investment at maturity or upon redemption of the ETNs even if the level of the relevant index has increased or decreased. An investment in ETNs may not be suitable for all investors.

ETNs may be sold throughout the day on the exchange through any brokerage account. There may be restrictions on the minimum number of ETNs an investor may redeem directly with the issuer as specified in the ETN's applicable prospectus. Commissions may apply and there may be tax consequences in the event of sale, redemption or maturity of the ETNs. Sales in the secondary market may result in significant losses.

### **Long Equity Exposure**

A Sub-Fund's strategy may involve long, unhedged or only partially hedged investments in, and exposure to, equities. Such investments may decline in value in the event of general equity market declines.

### **Equity Risk**

Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The value of equities will go up and down and the value of a Sub-Fund investing in equities could incur significant losses.

### **International Investment Risk**

Investments on an international basis involve certain risks, including:

- The value of the assets of a Sub-Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Sub-Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Sub-Fund may invest.
- Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.
- A Sub-Fund's assets may be invested in securities denominated in currencies other than the Reference Currency of the Sub-Fund, and any income from these investments will be received in those currencies, some of which may fall against the Reference Currency of the Sub-Fund. A Sub-Fund will compute its NAV and make any distributions in the Reference Currency of the Sub-Fund. Therefore, there may be a currency exchange risk which may affect the value of the Shares and the income distributions paid by a Sub-Fund.

### **Interest Rate Risk**

If a Sub-Fund invests primarily in bonds and other fixed-income securities, a significant influence on the Sub-Fund's value will be changes in the general level of interest rates. If interest rates fall, the value of the Sub-Fund's Shares will tend to rise. If interest rates rise, the value of the Sub-Fund's Shares will tend to fall. Depending on a Sub-Fund's holdings, short-term interest rates can have a different influence on a Sub-Fund's value than long-term interest rates. If a Sub-Fund invests primarily in bonds and other fixed-income securities with longer-term maturities, the biggest influence on the Sub-Fund's value will be changes in the general level of long-term interest rates. If a Sub-Fund invests primarily in bonds and other fixed-income securities with shorter-term maturities, the biggest influence on the Sub-Fund's value will be changes in the general level of shorter-term interest rates.

### **Liquidity Risk**

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities owned by a Sub-Fund can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, certain features, like guarantees or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in a loss or reduced return for a Sub-Fund.

### **Market Risk**

Market risk is the risk of being invested in the equity and fixed-income markets. The market value of a Sub-Fund's investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

### **Multiple Class Risk**

A Sub-Fund may be available in more than one Class. Each Class has its own fees and expenses which are tracked separately. Those expenses will be deducted in calculating the NAV for that Class, thereby reducing its NAV per Share. If one Class is unable to pay its expenses or liabilities, the assets of the other Class will be used to pay those expenses or liabilities. As a result, the NAV per Share of the other Class may also be reduced.

### **Securities Lending Risk**

A Sub-Fund may enter into securities lending transactions in accordance with the rules of the CSSF. Securities lending transactions may be entered into to generate additional income to enhance the NAV of a Sub-Fund.

In a securities lending transaction, a Sub-Fund lends its securities to a borrower in exchange for a fee. The other party to a securities lending transaction delivers collateral to the Sub-Fund in order to secure the transaction.

The Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of a Sub-Fund and its investors. However, securities lending transactions come with certain risks. The principal risk is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the relevant Sub-Fund as required by the terms of the transaction. To minimise the risks, the other party provides collateral. The value of the transactions and the collateral are monitored daily, and the collateral is adjusted appropriately by the securities lending agent of the Sub-Fund. If the other party to the transaction cannot complete the transaction, the Sub-Fund may be left holding the collateral delivered by the other party to secure the transaction. In a securities lending transaction, the Sub-Fund could lose money if the value of collateral held does not cover the value of the securities loaned. Furthermore, the Depositary has agreed to indemnify the Fund for any loss in connection with securities lent but not returned in any securities lending transaction.

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

### **Repurchase or Reverse Repurchase Transactions Risk**

The principal risk when engaging in repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to a Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the relevant Sub-Fund. However, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to a Sub-Fund under repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund.

The Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of a Sub-Fund and its investors. However, repurchase or reverse repurchase transactions entail certain operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

#### **Risk when reinvesting cash-collateral**

A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

#### **Fundamental Analysis Risk**

The Investment Manager may attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. The Investment Manager's securities analysis methods rely on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the Investment Manager is alert to indications that data may be incorrect, there is always a risk that its analysis may be compromised by inaccurate or misleading information.

#### **Technical Analysis Risk**

A Sub-Fund may analyse past market movements and apply that analysis to the present in an attempt to recognise recurring patterns of investor behaviour and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

#### **Quantitative Analysis Risk**

A Sub-Fund may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

#### **Qualitative Analysis Risk**

A Sub-Fund may subjectively evaluate non-quantifiable factors such as quality of management, labour relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

#### **Asset Allocation Risk**

Rather than focusing primarily on securities selection, a Sub-Fund may attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the Sub-Fund's investment goals and risk tolerance. A risk of asset allocation is that the Sub-Fund may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Sub-Fund's goals.

#### **Portfolio Turn-Over Risk**

A Sub-Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may result in higher transaction costs and may also result in higher taxes when Sub-Fund Shares are held in a taxable account. These costs, which are not reflected in the annual report of the Fund's operating expenses, affect a Sub-Fund's performance.

#### **Sustainability Risk**

Sustainability Risk is principally linked to climate-related events resulting from climate change (so-called physical risks) or to the society's response to climate change (so-called transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g., inequality,

inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g., recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

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

Capitalized terms used in this section should have the meaning as set forth in the provision of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as FATCA.

The Fund may be subject to regulations imposed by foreign regulators, in particular, the HIRE Act. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service (“**IRS**”) of non-U.S. Financial Institutions that do not comply with FATCA and U.S. Persons direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the Fund will be treated as a Foreign Financial Institution. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax as a result of FATCA, the value of the Shares held by all investors may be materially affected.

The Fund and/or its investors may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations.

Despite anything else herein contained, the Fund shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold by applicable laws and regulations in respect of any shareholding in the Fund;
- require any investor or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to an investor until the Fund holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

### **Common Reporting Standard “CRS”**

Capitalized terms used in this section should have the meaning as set forth in the CRS-Law, unless provided otherwise herein.

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “**Standard**”) and its Common Reporting Standard (the “**CRS**”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “**CRS-Law**”).

Under the terms of the CRS-Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Fund will be required to annually report to the Luxembourg tax authority (the “**LTA**”) personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS-Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS-Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS-Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS-Law will be disclosed to the LTA annually for the purposes set out in the CRS-Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The investors further undertake to inform the Fund within thirty (30) days of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information.

### **Taxation risks**

An investment in a Sub-Fund involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which a Sub-Fund will have investments, or changes in tax treaties negotiated by those countries, could adversely affect the returns from a Sub-Fund to its investors. No assurance can be given on the actual level of taxation suffered by a Sub-Fund. Investors should consult their own tax advisers on the tax implications for them of investing, holding and disposing of Shares and receiving distributions in respect of Shares in a Sub-Fund.

## 9 Investment Restrictions and Techniques and Instruments

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### 9.1. Investment Restrictions

### 9.2. Efficient Portfolio Management Techniques

### 9.3 Collateral Policy and Reinvestment of Collateral

### 9.4 Risk Management Process

#### 9.1 Investment Restrictions

**A. The assets of a Sub-Fund shall comprise one or more of the following:**

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph 2, points a) and b) of the UCITS Directive, whether situated in a Member State or in a State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured ;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;
- (7) financial derivative instruments, i.e. in particular credit default swaps, options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in OTC derivatives, provided that:
  - (i)
    - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives;
    - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
    - the OTC derivatives are subject to reliable and verifiable valuation and can be sold, liquidated or closed by an offsetting transaction at their fair value at the Fund's initiative;

- (ii) - under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.
- (8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by European Community law; or
  - issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent listed above and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC as amended, 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.

**B. Each Sub-Fund may however:**

- (1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).
- (2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if considered in the best interest of the Shareholders.
- (3) Unless specified in the relevant Sub-Fund Appendix, borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.
- (4) Acquire foreign currency by means of a back-to-back loan.

**C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following risk diversification rules:**

- (a) Risk Diversification rules

For the purpose of calculating the restrictions described under items (2) to (5) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

- Transferable Securities and Money Market Instruments

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.
- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

- (3) The limit of 10% set forth above under item (1) (i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by a State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under item (1) (i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.
- (5) The securities specified above under items (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under item (1) (ii).
- (6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development ("OECD") or the Group of Twenty (G20) such as the U.S. or the Republic of Singapore or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**
- (7) Without prejudice to the limits set forth under item (b) below, the limits set forth under item (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:
  - the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- Bank Deposits

- (8) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

- Financial Derivative Instruments

- (9) The risk exposure to a counterparty in an OTC derivatives transaction may not exceed 10% of a Sub-Fund's net assets when the counterparty is a credit institution referred to in section A item (6) above or 5% of its net assets in other cases. The risk exposure to a counterparty of a Sub-Fund generated through techniques and instruments relating to Transferable Securities and Money Market Instruments for the purpose of efficient portfolio management, as further described in Section 9.2 below, must be combined with the risk exposure to a counterparty of a Sub-Fund in an OTC derivatives transaction when calculating these limits.
- (10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in items (1) to (5), (8), (9), (13) and (14). When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in items (1) to (5), (8), (9), (13) and (14).
- (11) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of section

A. item (7) (ii), section C. (a) item (1) (i) above and section D. item (1) as well as with the risk exposure and information requirements laid down in the present Prospectus.

- Units of Open-Ended Funds

- (12) Unless specified in the relevant Sub-Fund Appendix, no Sub-Fund may invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs or other Sub-Funds.

If specified in the relevant Sub-Fund Appendix, the following applies:

A Sub-Fund may acquire units or shares of UCITS and/or other UCI specified in 10.1 A. (5), provided that it does not invest more than 20% of its assets in a single UCITS or UCI.

For the purposes of the application of this investment limit, each sub-fund in a multi-sub-fund undertaking for collective investment, as defined by Article 181 of the Law of 2010, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different sub-funds with regard to third parties is assured.

Investments in units or shares of UCIs other than UCITS may not in total exceed 30% of the assets of a Sub-Fund. If a Sub-Fund has acquired units or shares in UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits stipulated in Article 43 of the Law of 2010.

When a Sub-Fund invests in the units of other collective investment schemes that are managed by the Management Company or by any other company with which the Management Company is linked by (i) common management, (ii) control, or (iii) a direct or indirect interest of more than 10% of the capital or the votes, the Management Company or the other company may not charge subscription, conversion or redemption fees on account of a Sub-Fund's investment in the units of such other collective investment scheme and the applicable management charge levied in respect of the investment in the units of such other collective investment scheme are reduced to a maximum of 0.25%.

A Sub-Fund may subscribe, acquire and/or hold units to be issued or issued by one or more Sub-Funds ("the **Target Sub-Fund**") of the Fund under the condition that:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund which invested in the Target Sub-Fund; and

- no more than 10% of the assets of the target Sub-Fund() whose acquisition is contemplated, may be invested in aggregate in units of other target Sub-Funds of the Fund; and

- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010; and

- there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Fund, and the target Sub-Fund.

- Combined limits

- (13) Notwithstanding the individual limits laid down in items (1), (8) and (9) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

- (14) The limits set out in items (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with

items (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

- Limitations on Control

- (15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.
- (16) A Sub-Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI..

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the securities in issue cannot be calculated.

The ceilings set forth above under items (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organised pursuant to the laws of a State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under section C, items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Shares at the request of Shareholders.

**D. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:**

- (1) No Sub-Fund may acquire commodities including precious metals or certificates representative thereof.
- (2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) No Sub-Fund may use its assets to underwrite any securities.
- (4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).
- (6) A Sub-Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under section A, items (5), (7) and (8).

**E. Notwithstanding anything to the contrary herein contained:**

- (1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such Sub-Fund's portfolio.
- (2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.
- (3) The risk exposure of a Sub-Fund may not be increased by more than 10% by means of temporary borrowing.

- (4) During the first six (6) months following its launch, a Sub-Fund may derogate from C. (a) (1) – (9) and (12) – (14), while ensuring the observance of the principle of risk spreading.

The Board of Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares are offered or sold. The Prospectus will be amended if additional investment restrictions are introduced by the Board of Directors.

## **9.2 Efficient portfolio management techniques**

### **A. General**

A particular Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for the purpose of efficient portfolio management as set forth in detail in the relevant Sub-Fund Appendix and in accordance with the Law of 2010 and applicable regulations, including circulars, guidelines and other publications of the CSSF and ESMA, in particular CSSF Circular 08/356 and CSSF Circular 13/559.

When these operations concern the use of financial derivative instruments, the relevant techniques and instruments shall conform to the provisions stipulated in Section 9.1. In addition, the provisions stipulated in Section 9.4 must be complied with.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment policies and objectives as laid down in the relevant Sub-Fund Appendix, or add substantial supplementary risks in comparison to the stated risk profile of the relevant Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC derivatives must be combined when calculating counterparty risk limits referred to in Section 9.1 item C. (9) above.

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

More specifically, where provided for in the relevant Appendix of each Sub-Fund, a Sub-Fund may, for efficient portfolio management purposes, enter into Securities Lending and Repurchase and Reverse Repurchase Agreement Transactions, provided that the above mentioned and following rules are complied with:

### **B. Securities Lending**

A Sub-Fund may enter into securities lending transactions provided that they comply with the following rules in addition to the above mentioned conditions:

- (i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- (ii) A Sub-Fund may only lend securities either directly or through a standardised lending system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudent supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction
- (iii) A Sub-Fund must ensure that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

As of the date of this Prospectus, none of the Sub-Funds is using securities lending transactions. Should a Sub-Fund use securities lending transactions, the Prospectus will be updated beforehand.

### **C. Repurchase and Reverse Repurchase Agreement Transactions**

A Sub-Fund may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

A Sub-Fund can act either as purchaser (reverse repurchase agreement) or seller (repurchase agreement) in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules in addition to the above mentioned conditions:

- (i) A Sub-Fund may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialising in this type of transaction and is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- (ii) During the life of a repurchase agreement contract, a Sub-Fund cannot sell or pledge or give as security the securities which are the object of the contract.
- (iii) As a Sub-Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.
- (iv) Subject to (vi) below, a Sub-Fund that enters into a repurchase agreement as purchaser (reverse repurchase agreement) must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the NAV of the Sub-Fund.
- (v) Subject to (vi) below, a Sub-Fund that enters into a repurchase agreement as seller must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
- (vi) Fixed-term repurchase and reverse repurchase agreements that do not exceed seven (7) days are considered as arrangements on terms that allow the assets to be recalled at any time by a Sub-Fund.

As of the date of this Prospectus, none of the Sub-Funds is using repurchase and reverse repurchase agreements. Should a Sub-Fund use repurchase and reverse repurchase agreements, the Prospectus will be updated beforehand.

### **9.3 Collateral policy and reinvestment of collateral**

#### **A. General**

In the context of OTC derivatives transactions and efficient portfolio management techniques, a Sub-Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by a Sub-Fund in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements – see Section 9.2 above) shall be considered as collateral for the purposes of this section.

#### **B. Eligible collateral**

Collateral received by a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the Law of 2010 and applicable regulations, including circulars and other publications of the CSSF and ESMA, in particular CSSF Circulars 08/356 and CSSF Circular 13/559, notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's NAV to any single issuer on an aggregate basis, taking into account all collateral received.
- (v) It should be capable of being fully enforced by a Sub-Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by a Sub-Fund may consist of:

- (i) liquid assets,
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature,
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent,
- (iv) shares or units by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below,
- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity, or
- (vi) shares admitted to or dealt in on a regulated market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

**C. Level of collateral**

The required level of collateral for OTC derivatives and efficient portfolio management techniques will be determined according to the nature and the characteristics of the executed transactions, the counterparties, the market conditions and applicable rules.

**D. Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

The following minimum haircut percentage guidelines for collateral received by a Sub-Fund in relation to OTC derivatives transactions and efficient portfolio management techniques are intended by the Fund. The Fund reserves the right to change the list of eligible collateral, to change the required level of collateral and to vary minimum haircut percentage guidelines to be applied to collateral from time to time based on market conditions and other factors, in accordance with the Fund’s Collateral Policy under this Section 9.3. This prospectus will then be changed accordingly.

| Collateral Instrument Type                  | Haircut      |
|---|--------------|
| Cash in eligible currencies (EUR, GBP, USD) | 0%           |
| Government Bonds                            | Minimum 1%*  |
| Other                                       | Minimum 2%** |

\*varies based on remaining maturity

\*\*determined on a case-by-case basis

**E. Reinvestment of collateral**

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

Cash collateral received by a Sub-Fund can only be:

- (i) placed on deposit with credit institutions which have their registered office in a Member State or, if their registered office is located in an Other State, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law,
- (ii) invested in high-quality government bonds,
- (iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis, and/or
- (iv) invested in short-term money market funds.

Re-invested cash collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to a given issuer of 20% of its NAV. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral must be aggregated to calculate the 20% limit of exposure to a single issuer

## **9.4 Risk Management Process**

In accordance with the Law of 2010 and other applicable regulations, in particular the CSSF Circular 11/512, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure the exposure of a Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for a Sub-Fund.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Section 9.1 in financial derivative instruments provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 9.1 and of this Section 9.4.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 9.1.

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of Section 9.1.

### **A. Global Exposure**

In relation to financial derivative instruments the Management Company employs a process for accurate and independent assessment of the value of OTC financial derivatives instruments and the Fund ensures for each of its Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

The global exposure of each Sub-Fund is measured either through the Commitment approach or by the Value-at-Risk (“**VaR**”) methodology (either absolute or relative), as indicated in the Appendix of each Sub-Fund. The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

In financial mathematics and financial risk management, the VaR approach is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the investment portfolio over the given time horizon exceeds this value (assuming normal market conditions and no trading in the investment portfolio) is the given probability level.

The calculation of the VaR is conducted on the basis of a one-sided confidence interval of 99%, as well as a holding period of twenty (20) Business Days.

#### **Calculation of the global exposure (when using the absolute VaR approach):**

A Sub-Fund’s VaR is limited by an absolute VaR calculated on the basis of the NAV of the relevant Sub-Fund and not exceeding a maximum VaR limit determined by the Fund taking into account the Sub-Fund’s investment policy and the risk profile of the Sub-Fund.

#### **Calculation of the global exposure (when using the relative VaR approach):**

A Sub-Fund’s VaR is limited by twice the VaR of a reference portfolio (as indicated in the Sub-Fund Appendix where applicable).

#### **Calculation of the global exposure (when using the commitment approach):**

The commitment approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total NAV of the portfolio of the relevant Sub-Fund.

Under the standard commitment approach, each derivative position is converted into the market value of an equivalent position in the underlying asset of that derivative.

## **B. Leverage**

For each Sub-Fund which uses VaR methodology to measure its global exposure, the level of leverage generated by the use of derivatives is assessed in accordance with the Law of 2010 and the applicable regulations, including circulars, guidelines and other publications of the CSSF and ESMA. The method used to determine a Sub-Fund's level of leverage is set out in the Sub-Fund Appendix, where applicable. For each such Sub-Fund, the expected level of leverage may vary over a range based on the NAV of the Sub-Fund. This range is described more fully in a Sub-Fund's Appendix where applicable.

Under certain circumstances the level of leverage might exceed the before mentioned range.

For financial derivative instruments which do not have a notional value, the relevant Sub-Fund must, in principle, base the calculation of leverage on the market value of the equivalent position on the underlying asset.

The expected level of leverage has to take into account the financial derivative instruments entered into by such Sub-Fund, the reinvestment of collateral received (in cash) in relation with operations of efficient portfolio management and any use of collateral in the frame of any other operation of efficient portfolio management, e.g. securities lending.

The content of Sub-Fund Appendices subject to change and will be updated on a periodic basis.

## 10 Taxation

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- 10.1. General
- 10.2. The Fund
- 10.3. Shareholders
- 10.4. Net Wealth Tax
- 10.5. Value Added Tax
- 10.6. FATCA
- 10.7. Other Taxes
- 10.8. Exchange of information – Common Reporting Standard

### 10.1 General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of, and when appropriate, consult their professional advisors with regards to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that Shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with a Shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section 10 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Investors should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), a personal income tax (*impôt sur le revenu*), as well as a temporary equalisation tax (*impôt d'équilibrage budgétaire*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and to the temporary tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

### 10.2 The Fund

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Fund subject to any Luxembourg withholding tax. However, in relation to all Classes, the Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the NAV of the respective Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Classes which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Class at the end of the relevant quarter.

The aforementioned tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg. Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of €75.

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 term or long term, are not expected to become taxable in another country, Shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Fund from some of its securities, as well as interest earned on cash deposits, and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### 10.3 Shareholders

#### *Luxembourg Tax Residency*

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

#### *Income Tax - Luxembourg Residents*

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on reimbursement of the Share capital contributed to the Fund.

#### *Luxembourg Resident Individuals*

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six (6) months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the Share capital of the Fund or (ii) the Shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### *Luxembourg Resident Corporations*

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### *Luxembourg Residents Benefiting from a Special Tax Regime*

Luxembourg resident Shareholders which benefit from a special tax regime, such as (i) UCI subject to the Law of 2010, (ii) specialised investment funds governed by the amended law of 13 February 2007, and (iii) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### *Income Tax - Luxembourg Non-residents*

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any income, withholding, estate, inheritance, capital gains or other taxes in Luxembourg.

Corporate Shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

#### 10.4 Net Wealth Tax

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the Law of 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007, or (vii) a professional pension institution governed by the amended law of 13 July 2005.

However, a Luxembourg resident securitization company governed by the amended law of 22 March 2004 on securitization, a professional pension institution governed by the amended law of 13 July 2005 and a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles shall be subject to the minimum net wealth tax charge according to the amended law of 16 October 1934 on net wealth tax.

#### 10.5 Value Added Tax

The Fund is considered in Luxembourg as a taxable person for value added tax (“VAT”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services.

Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg so as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent that such payments are linked to their subscription for Shares and do not constitute the consideration received for any taxable services supplied.

#### 10.6 FATCA

Capitalized terms used in this section should have the meaning as set forth in the provision of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as FATCA.

The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against US tax evasion. As a result of FATCA, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30 per cent on gross sales proceeds as well as income. This regime is effective since 1 July 2014.

The basic terms of FATCA currently appear to include the Fund as a ‘Financial Institution’, such that in order to comply, the Fund may require all Shareholders to provide mandatory documentary evidence of their tax residence. However, FATCA grants the US Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of US tax evasion. The detailed regulations that are expected to define how widely those powers will in fact be exercised have not yet been published, and accordingly the Fund cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

Luxembourg signed on 28 March 2014 a Model I Intergovernmental Agreement with the United States (the “**Model I IGA**”) improving international tax compliance and implementing FATCA. The Fund has chosen to comply with the requirements of FATCA by registering on the IRS FATCA portal and receiving a Global Intermediary Identification Number (“**GIIN**”). The Fund will comply with the FATCA provisions under the terms of the Model I IGA and the terms of the Luxembourg legislation, not enacted yet, applicable to the Model I IGA. The Fund will report tax information to the Luxembourg tax authorities, which will then transmit the information to the IRS. The Fund will also perform necessary due diligence and monitoring of investors and report, on an annual basis, among other things, information relating to financial accounts held by U.S. Persons or by non-U.S. entities owned or controlled by U.S. Persons.

Based on FATCA, the Fund may thus be required, *inter alia*, to disclose the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest, including amounts paid by the Fund, to the IRS.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with applicable data protection legislation.

The Fund's ability to satisfy its obligations vis-à-vis the IRS will depend on each Shareholder in the Fund providing the Fund with any information, including information concerning the direct or indirect owners of such Shareholder, that the Fund determines is necessary to satisfy such obligations. Each Shareholder agrees to provide such information upon request by the Fund. If the Fund fails to satisfy such obligations or if a Shareholder fails to provide the Fund with the necessary information, payments of US source income and proceeds from the sale of property that could give rise to US source interest or dividends will generally be subject to a 30 per cent withholding tax.

A Shareholder that fails to comply with such documentation requests or provides false documents may be charged with any taxes imposed on the Fund attributable to such Shareholder's non-compliance under FATCA, and the Fund may, in its sole discretion, redeem such Shares.

While the Fund will make all reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes imposed or required to be deducted under these provisions to Shareholders whose non-compliance caused the imposition or deduction of the tax, other complying Shareholders in the Fund may be affected by the presence of such non-complying Shareholders.

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Fund.

### **10.7 Other Taxes**

No estate or inheritance tax is levied on the transfer of Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

### **10.8 Exchange of information – Common Reporting Standard**

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"). The adoption of the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS-Law implements the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS-Law, the Fund may be required to annually report to the LTA, the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder within the meaning of CRS-Law, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the LTA to foreign tax authorities.

The Fund's ability to satisfy its reporting obligations under the CRS-Law will depend on each investor providing the Fund with the information, including information regarding direct or indirect owners of each investor, along with the required supporting documentary evidence. Upon request of the Fund, each investor shall agree to provide the Fund such information.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS-Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a tax or penalty as result of the CRS-Law, the value of the Shares held by the investors may suffer material losses.

Any investor that fails to comply with the Fund's documentation requests may be charged with any taxes and penalties imposed on the Fund or the Manager attributable to such investor's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such investor.

Investors should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS-Law on their investment.

## 11 Appendix A – Heitman UCITS — Heitman Global Prime Sub-Fund

The information contained in this Appendix in relation to Heitman UCITS — Heitman Global Prime Sub-Fund (the “**Heitman Global Prime Sub-Fund**”) should be read in conjunction with the full text of the Prospectus.

### 1. Investment Manager

The investment manager for the Heitman Global Prime Sub-Fund is Heitman Real Estate Securities LLC (the “**Heitman Global Prime Investment Manager**”).

### 2. Reference Currency

EUR

### 3. Classes and eligibility

|    |  |   |
|----|--|---|
| 1) | Class A Shares (Accumulating) EUR Un-hedged                          | Available for investment by Non-Institutional Investors.  |
| 2) | Class M Shares (Accumulating) EUR Un-hedged                          | Reserved to (a) employees of the Heitman Global Prime Investment Manager and of its affiliates and (b) affiliates of the Heitman Global Prime Investment Manager  |
| 3) | Class F (Founder Institutional) Shares (Accumulating) EUR Un-hedged  | Reserved to Institutional Investors deemed by the Fund to be founding shareholders because of their subscription of Shares at inception of the Heitman Global Prime Sub-Fund or their affiliation with a founding Shareholder or them being advised by a founding Shareholder |
| 4) | Class F1 (Founder Institutional) Shares (Accumulating) USD Un-hedged | Reserved to Institutional Investors deemed by the Fund to be founding shareholders because of their subscription of Shares at inception of the Heitman Global Prime Sub-Fund or their affiliation with a founding Shareholder or them being advised by a founding Shareholder |
| 5) | Class I (Institutional) Shares (Accumulating) EUR Un-hedged          | Available to Institutional Investors only   |
| 6) | Class G (Institutional) Shares (Distributing) GBP Un-hedged          | Available to Institutional Investors only   |
| 7) | Class H (Institutional) Shares (Accumulating) JPY Un-hedged          | Available to Institutional Investors only   |
| 8) | Class J (Institutional) Shares (Accumulating) USD Un-hedged          | Available to Institutional Investors only   |

### 4. Investment Objectives and Strategy

The investment objective of the Heitman Global Prime Sub-Fund is to achieve a return in excess of the long-term return for, direct based investment portfolios in real estate. The objective will be pursued by a strategy of investing in listed equity securities and equity-related securities (such as closed-ended real estate investment trusts (REITs)) of public companies that own top tier real estate properties in the world’s major cities. The strategy offers exposure to prime global real estate assets by targeting investments in entities that have 75% of their gross asset value in major cities and are invested over 50% in prime real estate assets. This level of concentration can serve as an efficient alternative to a private, direct portfolio.

The Heitman Global Prime Sub-Fund has three interrelated investment objectives:

- affording exposure to world class property assets that are unavailable or otherwise difficult to access in the private, direct market;
- allowing diversification over a large pool of locations, property types and management teams; and
- offering the potential for attractive risk-adjusted returns in a highly liquid format.

The investment team aims to manage a diversified portfolio of securities that will be equally weighted within the portfolio and rebalanced quarterly.

The Heitman Global Prime Sub-Fund Investment Manager will make investment decisions based on an in-depth proprietary analysis of the long-term fundamentals of the global real estate markets as well as the quality of the issuer. Because the investment execution and objectives of the Heitman Global Prime Sub-Fund are substantially different than other strategies managed by the Investment Manager where orders are generally aggregated under its order allocation policy, as a general rule orders will not be aggregated for the Heitman Global Prime Sub-Fund.

The Heitman Global Prime Sub-Fund can invest up to 100% of its net assets in closed-ended REITs.

However, at least 51% of the value of the Heitman Global Prime Sub-Fund will be invested – on an ongoing basis – in equity participations within the meaning of sec. 2 para. 6 and para. 8 no. 1 German Investment Tax Reform Act applicable as from 1 January 2018 (“**GInvTA**”).

The term equity participation within the meaning of sec. 2 para. 8 no. 1 GInvTA comprises of listed equities being either admitted for trading at a recognized stock exchange or listed on an organized market.

Investments in units or shares in other UCITS and/or undertakings for collective investment (UCIs) are limited to a maximum of 10% of the Heitman Global Prime Sub-Fund’s net assets.

The Heitman Global Prime Sub-Fund does not currently intend to utilise financial derivative instruments.

The Heitman Global Prime Sub-Fund will not engage in repurchase agreements, reverse repurchase agreements, securities lending transactions or total return swaps. Should this change in the future, this Prospectus will be updated accordingly.

The Heitman Global Prime Sub-Fund is actively managed. The Heitman Global Prime Sub-Fund has no benchmark index and is not managed in reference to a benchmark index.

## **5. Global Exposure of the Heitman Global Prime Sub-Fund**

The global exposure of the Heitman Global Prime Sub-Fund, which is measured by the Commitment approach, shall not exceed 100% of the Sub-Fund’s net assets.

## **6. Typical Investor Profile**

The Heitman Global Prime Sub-Fund intends to distribute Shares in the European Economic Area, Hong Kong, Singapore, Japan and such other jurisdictions where it is authorised to distribute its Shares by the relevant regulatory bodies.

Investors targeted will be those generally known as professional investors, including institutional investors such as pension and insurance companies, as well as family offices and high net worth individuals.

## **7. Risk Profile**

Investing in the Heitman Global Prime Sub-Fund may result in the following risks in the particular areas that are described in more detail in the Prospectus:

- General Investment Risk
- Basis Risk
- Credit Risk
- Currency Risk
- Exposure to Property and Property Securities
- Real Estate Securities
- Dilution Adjustment Risk

- Volatility Risk
- Long Equity Exposure Risk
- Equity Risk
- International Investment Risk
- Interest Rate Risk
- Liquidity Risk
- Market Risk
- Multiple Class Risk
- US Foreign Account Tax Compliance Requirements (“FATCA”)
- Technical Analysis Risk
- Quantitative Analysis Risk

## 8. Minimum Subscription and Holding Amounts

| Class | Minimum Initial Subscription Amount | Minimum Additional Subscription Amount | Minimum Holding Amount |
|-------|-------------------------------------|--|------------------------|
| A     | EUR 25,000                          | EUR 1,000                              | EUR 5,000              |
| M     | None                                | None                                   | None                   |
| F     | EUR 1,000,000                       | EUR 25,000                             | EUR 250,000            |
| F1    | USD 1,000,000                       | USD 25,000                             | USD 250,000            |
| I     | EUR 1,000,000                       | EUR 25,000                             | EUR 250,000            |
| G     | GBP 1,000,000                       | GBP 25,000                             | GBP 250,000            |
| H     | JPY 100,000,000                     | JPY 2,500,000                          | JPY 25,000,000         |
| J     | USD 1,000,000                       | USD 25,000                             | USD 250,000            |

## 9. Fees and Expenses

| Class | Initial Sales Charge | Annual Management Fee | Performance Fee |
|-------|----------------------|-----------------------|-----------------|
| A     | None                 | 0.3%                  | None            |
| M     | None                 | None                  | None            |
| F     | None                 | 0.2%                  | None            |
| F1    | None                 | 0.2%                  | None            |
| I     | None                 | 0.25%                 | None            |
| G     | None                 | 0.25%                 | None            |
| H     | None                 | 0.25%                 | None            |
| J     | None                 | 0.25%                 | None            |

Operating and administrative expenses of the Heitman Global Prime Sub-Fund (excluding management fees) are expected not to exceed 0.20% per annum (the “**Anticipated O&A Expense Threshold**”).

While under no obligation to do so, the Heitman Global Prime Investment Manager may, in its sole discretion, waive or reduce its annual management fee as well as reimburse certain expenses to the Heitman Global Prime Sub-Fund to the extent necessary to ensure that the Heitman Global Prime Sub-Fund’s total annual operating and administrative expenses in any given year do not exceed the Anticipated O&A Expense Threshold for such year or to ensure that any such excess is immaterial.

If at any time during which the investment management agreement with the Heitman Global Prime Investment Manager is still in effect the Heitman Global Prime Sub-Fund’s operating and administrative expenses for a given year are less than the Anticipated O&A Threshold, the Heitman Global Prime Investment Manager shall be entitled to recover from the Heitman Global Prime Sub-Fund, subject to approval by the Board of Directors, in whole or in part as provided below, the annual management fees previously waived or reduced as well as any expenses reimbursed by the Heitman Global Prime Investment Manager as described above. The total amount of reimbursement to which the Heitman Global Prime Investment Manager may be entitled with respect to any year (“Reimbursement Amount”) shall equal the sum of all annual management fees previously waived or reduced by the Heitman Global Prime Investment Manager and all expenses reimbursed by the Heitman Global Prime Investment Manager to the Heitman Global Prime Sub-Fund, less any reimbursement previously paid by the Heitman Global Prime Sub-Fund to the Heitman Global Prime Investment Manager with respect to such waivers, reductions, and reimbursements. The Reimbursement Amount shall not include any additional charges or fees whatsoever, including, e.g. interest accruable on the Reimbursement Amount.

## 10. NAV calculation

The NAV of the Heitman Global Prime Sub-Fund will be calculated as of each Valuation Day.

## 11. Dilution Adjustment

The Board of Directors has implemented the swing pricing methodology described in section 5.6 of the Prospectus to adjust the NAV per Share to minimise the impact of dilution on the Heitman Global Prime Sub-Fund. The maximum adjustment on any Valuation Day will not normally exceed 2% of the NAV per Share. The Board of Directors, however, reserve the right to make a larger adjustment if actual costs that may, for example, be the consequences of extreme market conditions would result in the Shareholders suffering a loss.

## 12. Distributions

All Classes will accumulate all net income and not pay out any cash distributions except as may be determined by the Fund.

## 13. Launch of the Heitman Global Prime Sub-Fund

The Heitman Global Prime Sub-Fund was launched in 2015 by the following investment in Class M Shares:

Approximately 4,000,000 EUR in Class M Shares by an affiliate of Old Mutual plc, a public company limited by shares, incorporated in England and Wales, that owns the majority and controlling interest in the entity that owns 50% of Heitman LLC.

Following the launch of Class M, there may be subsequent investors in Class M. In all such cases, the beneficial ownership of such Class M shares shall be limited to (a) employees of the Global Prime Investment Manager and/or its affiliates and (b) affiliates of the Heitman Global Prime Sub-Fund. Other Classes of the Sub-Fund are anticipated to be launched upon request by investors and Shares in such other Classes are anticipated to be issued at such time and at an NAV per Share to be determined by the Board of Directors.

## 14. Share Transactions

Applications for subscriptions of Shares must be received in good order by 12 p.m. (Luxembourg time) on the Valuation Day for the Heitman Global Prime Sub-Fund in order for such applications to be processed, if accepted, on the basis of the NAV per Share for that Valuation Day.

Applications for redemptions or conversions of Shares must be received in good order by 12 p.m. (Luxembourg time) on the Valuation Day for the Heitman Global Prime Sub-Fund in order for such applications to be processed, if accepted, on the basis of the NAV per Share for that Valuation Day.

|   |  |
|---|--|
| Cut-off time for subscription, redemption and conversion applications | 12:00 p.m. (Luxembourg time / CET) on the Valuation Day  |
| Valuation Day (Pricing Day)   | Daily, each Business Day   |
| Calculation Day (when NAV is published)                               | The first Business Day following the Valuation Day   |
| Settlement period for subscriptions and redemptions                   | Subscriptions: within three (3) Business Days after the relevant Valuation Day<br>Redemptions: normally within three (3) Business Days after the relevant Valuation Day<br>Conversions: normally within three (3) Business Days after the relevant Valuation Day |

If no NAV can be calculated as of such day (e.g. markets are closed), the immediately following Business Day is to be considered a Valuation Day.