CAPE CAPITAL SICAV-UCITS

Investment Company with variable capital under Luxembourg Law

Prospectus

December 2023

Contents

1. Information for Prospective Investors

This prospectus ("Prospectus") is valid only if accompanied by the latest key information document ("Key Information Document" or "KID", the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. These documents shall be deemed to form part of this Prospectus. Prospective investors shall be provided with the latest version of the Key Information Document in good time before their proposed subscription of shares ("Shares") in Cape Capital SICAV-UCITS ("the Company"). This Prospectus does not constitute an offer or solicitation to subscribe Shares in the Company by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Information which is not contained in this Prospectus, or in the documents mentioned herein which are available for inspection by the public, shall be deemed unauthorized and cannot be relied upon.

Prospective investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Shares. Further tax considerations are set out in Chapter 8, "Expenses and Taxes".

Information about distribution in various countries is set out in Chapter 21, "Distribution of Shares".

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, solicitor, accountant or other independent financial adviser.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English-language Prospectus and a version in another language, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Shares are sold.

Investors should read and consider the risk description in Chapter 6, "Risk Factors", before investing in the Company.

The Company will not disclose any confidential information about investors unless it is required to do so by the applicable laws or regulations.

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

Further, the board of directors of the Company (the "Board of Directors") has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a U.S. Person which shall be defined as and include (i) a "United States person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a "U.S. person" as such term is defined in Regulation S of the 1933 Act, (iii) a person that is "in the United States" as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that is not a "Non-United States Person" as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.

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

Any transfer of Shares may be rejected by the Central Administration (as defined below) and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

The term "Prohibited Person" means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares of the relevant Subfund may be detrimental to the interests of the existing Shareholders or of the relevant Subfund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any), the Management Company and/or the Company, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes (i) any investor which does not meet the definition of Eligible Investors as defined for the respective Subfund in Chapter 24, "Subfunds", (if any). ((ii) any U.S. Person or (iii) any person who has failed to provide any information or declaration required by the Management Company or the Company within one calendar month of being requested to do so.

The term "Prohibited Person" moreover includes natural persons or entities acting, directly or indirectly, in contravention of any applicable AML/CTF Rules or who are the subject of sanctions, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organisation, the Organisation for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time.

The Company will not accept investments by or on behalf of Prohibited Persons. No subscription for Shares may be made on behalf of Prohibited Person whether on the subscriber's own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other beneficial owner). Any Subscriber must promptly notify the Company of any change in its status or the status of any underlying beneficial owner(s) with respect to its representations and warranties regarding Prohibited Person.

2. Company

The Company is an undertaking for collective investment in transferable securities organized as a public limited company (société anonyme) in the legal form of an investment company with variable capital (société d'investissement à capital variable, SICAV) subject to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment ("Law of 17 December 2010") transposing Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the "Directive 2009/65/EC").

The Company is managed by MultiConcept Fund Management S.A. (the "Management Company") in accordance with the articles of incorporation of the Company (the "Articles of Incorporation"). In this capacity, the Management Company acts as investment manager and central administration, and as the distributor of the Shares. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management have been delegated to the investment manager described in Chapter 20, "Main Parties", ("Investment Manager") and administrative tasks have been delegated to Credit Suisse Fund Services (Luxembourg) S.A. as central administration ("Central Administration"). The distribution of the Shares has been delegated to the distributors described in Chapter 21, "Distribution of shares".

The Company was initially created as a specialised investment fund in accordance with the law of 13 February 2007 relating to specialised investment funds, and is registered with the Trade and Companies Register of Luxembourg (registre de commerce et des sociétés) under number B 196061. It was converted into a company subject to Part I of the Law of 17 December 2010 on 27 July 2017. Its Articles of Incorporation were first published in the "Mémorial, Recueil des Sociétés et Associations" ("Mémorial") on 5 May 2015. The Articles of Incorporation are filed in their consolidated, legally binding form for public reference with the Trade and Companies Register of Luxembourg. All amendments of the Articles of Incorporation will be announced in accordance with Chapter 13, "Information for Shareholders", and become legally binding for all shareholders of the Company (the "Shareholders") subsequent to their approval by the general meeting of Shareholders (the "General Meeting") of Shareholders. The Articles of Incorporation have been amended for the last time on 27 July 2017 and been published in the *Receuil Electronique des Sociétés et Associations* on 8 August 2017. The initial capital of the Company amounted to EUR 31,000 and thereafter will correspond to the total net asset value of the Company. The minimum capital of the Company shall amount to at least EUR 1,250,000 which had to be achieved within a period of twelve months following the authorization of the Company as specialised investment fund. The capital of the Company shall be expressed in EUR.

The Company has an umbrella structure and therefore consists of at least one subfund ("Subfund"). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Subfund or which have arisen in relation to the establishment, operation or liquidation of a Subfund are limited to the assets of that Subfund. No Subfund will be liable with its assets for the liabilities of another Subfund.

The Board of Directors may at any time establish new Subfunds with Shares having similar characteristics to the Shares in the existing Subfunds. The Board of Directors may at any time create and issue new classes of Shares ("Classes") within any Subfund. If the Board of Directors establishes a new Subfund and/or creates a new Class, the corresponding details shall be set out in this Prospectus. A new Class may have different features than the currently existing Classes. The terms of any offering of new Shares shall be set out in Chapter 22, "Subfunds".

The characteristics of each possible Class are further described in this Prospectus and in particular in Chapter 4, "Investment in Cape Capital SICAV-UCITS", and in Chapter 22, "Subfunds".

The individual Subfunds shall be denominated as indicated in Chapter 22, "Subfunds". The reference currency ("Reference Currency"), as well as the currency in which the net asset value ("Net Asset Value") of the corresponding Shares of a Subfund is expressed is also provided for in Chapter 22, "Subfunds".

Information about the performance of the individual Subfunds and Classes of the Subfunds is contained in the Key Information Document.

3. Investment Policy

The primary objective of the Company is to provide the Shareholders with an opportunity to invest in professionally managed portfolios. The assets of the Subfunds shall be invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the Law of 17 December 2010 and set out in this Prospectus in Chapter 5, "Investment Restrictions".

The investment objective and policy of the individual Subfunds are described in Chapter 22, "Subfunds". The assets of the individual Subfunds will be invested in accordance with the investment restrictions as stipulated by the Law of 17 December 2010 and set out in this Prospectus in Chapter 5, "Investment Restrictions".

The investment objective for each Subfund is to maximize the appreciation of the assets invested. In order to achieve this, the Company shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see Chapter 6, "Risk Factors") there can be no guarantee that the investment objective of the relevant Subfunds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

Sustainable Investing

Sustainable Investing refers to the process of considering environmental, social and governance (ESG) factors in investment decision-making. Although there is no exhaustive list or universally accepted definition of which issues or factors are covered by the concept "ESG", for ESG investments made by the Subfunds the followings are considered ESG Factors:

− Environmental (E): Considerations relating to the quality and functioning of the natural environment and natural systems, such as for example air, water and soil quality, carbon and climate, clean water, ecological health and biodiversity, CO2-emissions and climate change, energy efficiency, scarcity of natural resources, and waste management. Environmental considerations may be measured for example by key resource efficient indicators on use of energy, use of renewable energy, use of raw materials, production of waste, emissions, greenhouse gas emissions, use of water, use of land, an impact on biodiversity and the circular economy.

− Social (S): Considerations relating to the rights, well-being and interests of people and communities, such as for example human rights, working conditions and standard, education, gender equality and bans on child and forced labor.

− Governance (G): Considerations relating to the sound governance of companies and other investee entities, such as for example board independence and oversight, good practices and transparency, executive compensation, shareholders' rights, management structure, measures taken against corruption and the handling of whistle-blowing.

Please note, Sustainable Investing is an on-going legislative act. Regulatory requirements are evolving and might change in the future. Additionally, new methods arise and availability of data is constantly improving. This might have an impact on the implementation and monitoring of ESG consideration at Company and Subfund level as described in this prospectus.

Reference Currency

The Reference Currency is the currency in which the performance and the Net Asset Value of the Subfunds are calculated. The Reference Currency of the Company is Euro, the Reference Currencies of the relevant Subfunds are specified in Chapter 22, "Subfunds".

Ancillary Liquid Assets

Each Subfund may hold ancillary liquid assets within a limit of 20% of its Net Asset Value.

The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the Law of 17 December 2010 are not considered to be included in the ancillary liquid assets under Article 41(2) b) of the Law of 17 December 2010. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 17 December 2010 or for a period of time strictly necessary in case of unfavourable market conditions. A Subfund may not invest more than 20% of its Net Asset Value in bank deposits at sight made with a same body.

Moreover, each Subfund may, on an ancillary basis, hold units/shares in undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC and which in turn invest in short-term time deposits and money market instruments and whose returns are comparable with those for direct investments in time deposits and money market instruments.

Cross-investments between Subfunds of the Company

The Subfunds of the Company may, subject to the conditions provided for in the Law of 17 December 2010, in particular Article 41 and Article 181 (8), subscribe, acquire and/or hold securities to be issued or issued by one or more Subfunds of the Company under the following conditions:

1. the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund: and
2. no more than 10% of the assets of the target Subfund whose acquisition is contemplated may be invested in aggregate in shares of other target Subfunds of the Company; and
3. voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
4. in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010.

Efficient Portfolio Management Techniques

<u>General</u>

The Company may employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF-Circulars issued from time to time, in particular, but not limited to Regulation (EU) 2015/2365, CSSF-Circulars 08/356 and 14/592 and ESMA-Guidelines 2014/937. In particular, those techniques and instruments should not result in a change of the investment objective of the relevant Subfund or add substantial supplementary risks in comparison to the stated risk profile of such Subfund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Chapter 5, “Investment Restrictions”.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the respective Subfund. In particular, fees and costs may be paid to agents of the Company and 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 Company through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or the Investment Manager – will be available in the annual report of the Company.

<u>Securities Lending Transactions</u>

The Company may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:

1. The counterparty of a securities lending transaction must be a financial institution of any legal form with a minimum credit rating of BBB- (Fitch) or Baa3 (Moody’s) specialized in this type of transaction which is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and has its registered office in a member state of the OECD;
2. The Company may only lend securities to a borrower either directly or through a standardized system organized by a recognized clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialized in this type of transaction;
3. The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

<u>Repurchase and Reverse Repurchase Transactions</u>

The Company may enter into repurchase agreements that consist of forward transactions at the maturity of which the Company (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Company may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the assets sold and the Company (buyer) the obligation to return the assets purchased under the transactions. The Company may also enter into transactions that consist of the purchase/sale of securities with a clause reserving the counterparty/Company the right to repurchase the securities from the Company/counterparty at a price and term specified by the parties in their contractual arrangements.

The Company’s involvement in such transactions is, however, subject to the additional following rules:

1. The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
2. The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

Contingent convertible bonds

Contingent convertible bonds (“CoCos”), are unlimited, principally fixed-income bonds with a hybrid character which are issued as bonds with fixed coupon payments, but which upon a trigger event are mandatorily converted into company shares, provided that respective trigger events are set out in the issuing terms of the CoCos.

Use of Derivatives

In addition to direct investments, all Subfunds may acquire financial derivative instruments (such as, without being limited to, futures, forward or options) as well as swap transactions (such as, without being limited to, interest-rate swaps, credit default swaps or total return swaps) for the purpose of hedging, the efficient management of the portfolio and for implementing its investment strategy, provided due account is taken of the investment restrictions set out in the Prospectus.

Each Subfund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Subfund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report, and, to the extent relevant and practicable, in Chapter 22 (“Subfunds”).

The risk exposure to a counterparty generated through OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Chapter 5, “Investment Restrictions”.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. Total return swaps can be either funded or unfunded.

If provided for a Subfund in Chapter 22, “Subfunds”, the Subfund may from time to time enter into total return swap transactions for the purpose of efficient portfolio management and, when applicable, as part of their respective investment policies as described in Chapter 22, “Subfunds”. The Subfunds will get 100 % of the net revenues generated from total return swaps after deduction of costs, including in particular transaction fees and costs for collateral paid to the swap counterparty. For unfunded total return swaps, such transaction fees are typically paid under the form of an agreed interest rate, which may be either fixed or floating. For funded total return swaps, the Subfund will make an upfront payment of the notional amount of the total return swap, typically with no further periodic transaction costs. A partially funded total return swap combines the characteristics and cost profile of both funded and unfunded total return swaps, in the relevant proportions. Costs for collateral typically take the form of a periodic fixed payment, depending on the amounts and frequency of collateral being exchanged. Information on costs and fees incurred by each Subfund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Management Company, if applicable, will be available in the semi-annual and annual reports.

The Subfunds will receive cash and non-cash collateral for total return swap transactions, in accordance with the Company’s collateral policy as further described below. The collateral received will be valued mark-to-market on a daily basis, as is common industry standard, and in accordance with Chapter 7 "Net Asset Value". The collateral received will be adjusted on a daily basis. The collateral received will be held in a separate collateral account and is therefore segregated from the other assets of the Subfund.

Furthermore, the Subfunds may actively manage their currency exposure through the use of currency futures, currency, forwards, currency options and swap transactions.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialized in the relevant type of transaction. The identity of the counterparties will be disclosed in the Company’s annual report.

In case a Subfund enters into total return swaps or invests in other comparable financial derivative instruments, the following additional information will be disclosed in the in Chapter 22, “Subfunds”:

1. Information on the underlying strategy and composition of the investment portfolio or index;
2. (if applicable) the extent to which the counterparty assumes any discretion over the composition or management of the Subfund’s portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to such Subfund’s investment portfolio transaction; and
3. (if applicable) an identification of the counterparty as an investment manager.

Management of Collateral and Collateral Policy

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

1. 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;
2. 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;
3. 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;
4. It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Subfund’s Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received; notwithstanding the limits set out above, each Subfund may receive collateral, in accordance with the principle of risk spreading, of up to 100% of its Net Asset Value in which qualifies as transferable securities and money market instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that the Subfund should receive securities from at least six different issues and that securities from any issue do not account for more than 30% of the Net Asset Value of the Subfund.
5. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process;
6. Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
7. It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Reinvestment of Collateral

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

1. placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
2. invested in high-quality government bonds;
3. used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or
4. invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Subfund concerned 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 Company on behalf of such Subfund to the counterparty at the conclusion of the transaction. The Subfund 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 Subfund.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

1. Cash (if the currency of the collateral is different from the currency of the OTC derivative to which the collateral relates to);
2. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
3. Bonds with a minimum rating of AA- (S&P) or Aa3 (Moody’s) issued or guaranteed by first class issuers offering adequate liquidity;
4. Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Level of Collateral

The Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At least the following level of collateral will be required by the Company for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivative transactions	100%
Securities lending transactions	100%
Repurchase transactions	100%
Reverse repurchase transactions	100%

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 Company 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 Company under normal and exceptional liquidity conditions.

According to the Company's haircut policy the following discounts will be made, in respect of different types of transactions:

Type of Transactions	Type of Collateral	Discount
OTC financial derivatives transactions and securities lending transactions	Cash: No haircut will generally be applicable to collateral in the form of cash unless it exposes the Subfund to currency risk.	0% - 8%
OTC financial derivatives transactions	Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope	0,5% - 5%
OTC financial derivatives transactions	Bonds with a minimum rating of AA- (S&P) or Aa3 (Moody's) issued or guaranteed by first class issuers offering adequate liquidity	1% - 8%
OTC financial derivatives transactions	Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index	Up to 16%
Securities lending transactions	All of the types of securities collateral listed above	5%

Techniques and Instruments for Managing Credit Risk

Subject to the investment restrictions set out below, the Company may use securities (credit linked notes) as well as techniques and instruments (credit default swaps or other credit derivatives) for the purpose of managing the credit risk of each Subfund.

Since the assets of each Subfund are subject to normal price fluctuations, no guarantee can be given that all Subfunds will achieve their investment objective.

Collective Management of Assets

For the purpose of efficient management of the Company and where the investment policies so permit, the Company's Board of Directors may opt to manage all or part of the assets of certain Subfunds jointly. Assets so managed shall be referred to hereinafter as a "Pool". Such Pools are created solely for internal management purposes and do not constitute a separate legal entity. Therefore, they cannot be directly accessed by investors. Each of the jointly managed Subfunds shall remain entitled to its own specific assets. The assets jointly managed in the Pools may be divided and transferred to all the participating Subfunds at any time.

If the assets of several Subfunds are pooled in order to be managed jointly, a written record is kept of that portion of the assets in the Pool which can be allocated to each of the Subfunds concerned, with reference to the Subfund's original share in this Pool. The rights of each participating Subfund to the jointly managed assets shall relate to each individual position in the respective Pool. Additional investments made for the jointly managed Subfunds shall be allocated to these Subfunds in an amount proportionate to their participation while assets, which have been sold, shall be deducted from each participating Subfund's assets accordingly.

4. Investment in Cape Capital SICAV-UCITS

i. General Information on the Shares

Within each Subfund one or more Classes may be offered which may differ in various respects, e.g. management fee, sales charge, commissions, appropriation of income, currency or regarding the intended circle of investors.

The Classes which are issued within each Subfund, in addition to the related fees, sales and redemption charges as well as the Reference Currency are stated in Chapter 22, "Subfunds".

In addition, certain other fees, charges and expenses shall be paid out of the assets of the relevant Subfunds. For further information, see Chapter 8, "Expenses and Taxes".

All Shares are only available in uncertificated form and will exist exclusively as book entries.

The Shares will either be accumulating Shares or distribution Shares.

The initial issue price and initial offering date of Shares which are being issued for the first time are stated in Chapter 22, "Subfunds".

Except as set out below, the Classes shall be denominated in the Reference Currency of the respective Subfund (as specified in Chapter 22, "Subfunds").

Investors may, at the discretion of the Central Administration, pay the subscription monies for Shares in a convertible currency other than the currency in which the relevant Class is denominated. As soon as the receipt is determined by the depositary of the Company ("Depositary"), such subscription monies shall be automatically converted by the Depositary into the currency in which the relevant Shares are denominated. Further details are set out below in Chapter 4, "Investment in Cape Capital SICAV-UCITS", section ii., "Subscription of Shares".

The Company may at any time issue, within a Subfund, one or more Classes denominated in a currency other than the Subfund's Reference Currency ("Alternate Currency Class"). The issue of each further or Alternate Currency Class is specified in Chapter 22, "Subfunds".

Where explicitly mentioned in the Subfund related part of Chapter 22, "Subfunds", of this Prospectus, the Company enters into certain currency related transactions in order to hedge the exchange rate risk between the Reference Currency of such Subfund and the currency in which Shares of such Class are designated. Any financial instruments used to implement such strategies with respect to one or more Class(es) shall be assets and liabilities of a Subfund as a whole but will be attributable to the relevant Class and the gains and losses on and the costs of the relevant financial instrument will accrue solely to the relevant Class.

Transactions will be clearly attributable to a specific Class, therefore any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Subfund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Subfund denominated in the same currency and it is intended to hedge the foreign currency exposure of such Classes into another currency, the Subfund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged Class in the relevant Subfund.

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not fall short of or exceed the permitted levels outlined above and will be rebalanced on a regular basis. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move directionally with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the currency in which the assets of the particular Subfund are denominated.

Investors' attention is drawn to the risk factor entitled "Share Currency Designation Risk" in Chapter 6, "Risk Factors".

However, no assurance can be given that the hedging objective will be achieved.

Hedged Share Classes

The foreign exchange transactions in relation to Share Class hedging will be executed by Credit Suisse Asset Management (Switzerland) Ltd., an affiliate of UBS Group AG, acting in its capacity as FX hedging agent for the purpose of share-class hedging activities including determination of the appropriate hedging positions and placement of FX trades (the "FX Hedging Agent").

Shares may be held through collective depositories. In such cases, Shareholders shall receive a confirmation in relation to their Shares from the depository of their choice (for example, their bank or broker), or Shares may be held by Shareholders directly in registered account kept for the Company and its Shareholders by the Central Administration. These Shareholders will be registered by the Central Administration. Shares held by a depository may be transferred to an account of the Shareholder with the Central Administration, or to an account with other depositories approved by the Company or – with other depositories participating in the Euroclear or Clearstream Banking System S.A. clearing systems. Conversely, Shares held in a Shareholder's account kept by the Central Administration may at any time be transferred to an account with a depository.

The Board of Directors may divide or merge the Shares or Classes in the interest of the Shareholders.

ii. Subscription of Shares

Shares may be purchased on any Subscription Date specified as such in Chapter 22 for the relevant Subfund at the Net Asset Value per Share of the relevant Class of the Subfund (calculated in accordance with Chapter 7), plus any applicable charges (as set out in Chapter 22) and taxes. The applicable maximum sales charge levied in connection with the issue of Shares is indicated in Chapter 22, "Subfunds".

Unless otherwise specified in Chapter 22, "Subfunds", subscription applications must be submitted in written form to the Central Administration or a Distributor, and subscription applications must be received by the Central Administration before 3 p.m. (Central European Time) one Banking Day before the respective Valuation Day (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them.

Unless otherwise specified in Chapter 22, "Subfunds", subscription applications shall be settled before 3 p.m. (Central European Time) on the Valuation Day following the Banking Day on which receipt of the subscription application is determined by the Central Administration .

Subscription applications received by the Central Administration after 3 p.m. (Central European Time) on a Banking Day shall be deemed to have been received prior to 3 p.m. (Central European Time) on the following Banking Day.

Unless otherwise specified in Chapter 22, "Subfunds", payment must be received within two Banking Days after the Valuation Day on which the issue price of such Shares was determined.

Charges to be paid due to the subscription of Shares shall accrue to the banks and other financial institutions engaged in the distribution of the Shares. Any taxes incurred on the issue of Shares shall also be charged to the investor. Subscription amounts shall be paid in the currency in which the relevant Shares are denominated or, if requested by the investor and at the sole discretion of the Central Administration, in another convertible currency. Payment shall be effected by bank transfer to the Company's bank accounts. Further details are set out in the subscription application form.

If the payment is made in a currency other than the one in which the relevant Shares are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Shares.

The Company may in the interest of the Shareholders accept transferable securities and other assets permitted by Part I of the Law of 17 December 2010 as payment for subscription ("contribution in kind"), provided the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Shares in return for a contribution in kind is subject to a valuation report issued by the Independent Auditor. The Board of Directors may at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such contribution in kind (including the costs for the valuation report, broker fees, expenses, comissions, etc.) shall be borne by the contributing investor.

Upon the receipt of the issue price with the correct value date by the Depositary, the Shares shall be issued. Notwithstanding the above, the Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Depositary.

The minimum value or number of Shares which must be held by a Shareholder in a particular Class, if any, is set out in Chapter 22, "Subfunds". Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Company.

Subscriptions of fractions of Shares shall be permitted up to three decimal places. Fractional Shares shall not be entitled to voting rights. A holding of fractional Shares shall entitle the Shareholder to proportional rights in relation to such Shares. It might occur that clearing institutions will be unable to process holdings of fractional Shares. Investors should verify whether this is the case.

The Company, Management Company and the Central Administration are entitled to refuse any subscription application in whole or in part for any reason, and may in particular prohibit or limit the sale of Shares to individuals or corporate bodies in certain countries or regions if such sales might be detrimental to the Company or if a subscription in the country concerned is in contravention of applicable laws. Moreover, where new investments would adversely affect the achievement of the investment objective, the Management Company may decide to suspend the issue of Shares on a permanent or temporary basis.

iii. Redemption of Shares

Unless otherwise specified in Chapter 22, "Subfunds", the Company shall in principle redeem Shares on any Banking Day at the Net Asset Value per Share of the relevant Class of the Subfund, which is calculated as of the next Valuation Day , less any redemption charge, if applicable.

Redemption applications must be submitted to the Central Administration or a Distributor. Redemption applications for Shares held through a depository must be submitted to the depository concerned. Unless otherwise specified in Chapter 22, "Subfunds", redemption applications must be received by the Central Administration before 3 p.m. (Central European Time) one Banking Day before the respective Valuation Day (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them.

Redemption applications received by the Central Administration after 3 p.m. (Central European Time) one Banking Day before the respective Valuation Day shall be dealt with on the following Valuation Day.

Unless stated otherwise in Chapter 22, "Subfunds", Shares shall be redeemed at the relevant Net Asset Value per Share calculated as of the Valuation Day immediately following such Banking Day. Whether and to what extent the redemption price is lower or higher than the purchase price paid depends on the development of the Net Asset Value of each Class.

If the execution of a redemption application would result in the relevant Shareholder's holding in a particular Class falling below the minimum holding requirement (if any) for that Class as set out in Chapter 22. "Subfunds", the Company may, without further notice to the Shareholder concerned, treat such redemption application as though it were an application for the redemption of all Shares of that Class held by the Shareholder.

Equally, Shares of Classes, which may only be purchased by certain investors shall automatically be redeemed if the Shareholder does not satisfy the requirements for that Class anymore.

Unless stated otherwise in Chapter 22, "Subfunds", Shares shall be redeemed at the relevant Net Asset Value per Share calculated as of the Valuation Day immediately following such Banking Day. Whether and to what extent the redemption price is lower or higher than the purchase price paid depends on the development of the Net Asset Value of each Class.

Redemptions of fractions of Shares shall be permitted up to three decimal places.

Payment of the redemption price of the Shares shall be made within two Banking Days following the calculation of the redemption price, unless stated otherwise in Chapter 22, “Subfunds”. This does not apply where specific statutory provisions, such as foreign exchange or other transfer restrictions or other circumstances beyond the Depositary’s control, make it impossible to transfer the redemption amount.

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

The term “Prohibited Person” means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares of the relevant Subfund may be detrimental to the interests of the existing Shareholders or of the relevant Subfund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any), the Management Company and/or the Company, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes (i) any investor which does not meet the definition of Eligible Investors as defined for the respective Subfund in Chapter 22, “Subfunds”, (if any). (ii) any U.S. Person or (iii) any person who has failed to provide any information or declaration required by the Management Company or the Company within one calendar month of being requested to do so.

Furthermore, if in relation to any Valuation Day (as defined in Chapter 7, “Net Asset Value”) redemption requests relate to more than 10% of the Shares in issue in a specific Subfund, the Board of Directors may decide that part or all of such requests for redemption will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Subfund, but normally not exceeding one Valuation Day. In relation to the next Valuation Day following such period, these redemption requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of Shareholders.

Payment shall be made by means of remittance to a bank account or, if possible, by cash in the currency that is legal tender in the country where payment is to be made, after conversion of the amounts in question. If payment is to be made in a currency other than that the one in which the relevant Shares are denominated, the amount to be paid shall be the proceeds of conversion from the currency of denomination to the currency of payment less all fees and exchange commission.

Upon payment of the redemption price, the corresponding Share shall cease to be valid.

iv. Conversion of Shares

Shareholders in a particular Class of a Subfund may convert all or part of their Shares into Shares of the same Class of another Subfund or into Shares of another Class of the same or another Subfund, provided that they comply with the requirements applying to the Class of Shares into which they envisage to convert their Shares, as set forth in Chapter 22 “Subfunds”.

Conversion applications must be submitted to the Central Administration or a Distributor. Unless otherwise specified in Chapter 22, “Subfunds”, conversion applications must be received by the Central Administration before 3 p.m. (Central European Time) one Banking Day before the respective Valuation Day that is decisive for the calculation of the exchange rate (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them and in which Class of Shares they may apply for. Applications received after the relevant cut-off-time on a conversion date shall be deemed to have been received prior to the cut-off-time on the following conversion date.

v. Suspension of the Subscription, Conversion and Redemption of Shares and/or the Calculation of the Net Asset Value

The Company may suspend the calculation of the Net Asset Value and/or the issue, conversion and redemption of Shares of a Subfund where a substantial proportion of the assets of the Subfund:

a) cannot be valued because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
b) is not freely disposable because a political, economic, military, monetary or any other event beyond the control of the Company does not permit the disposal of the Subfund’s assets, or such disposal would be detrimental to the interests of Shareholders; or
c) cannot be valued because of disruption to the communications network or any other reason makes a valuation impossible; or
d) is not available for transactions because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates;
e) in the event of a notice to shareholders convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Company or informating them about the termination and liquidation of a Subfund or class of shares, and more generally, during the process of liquidation of the Company, a Subfund or class of shares.

Investors applying for, or who have already applied for, the subscription, conversion or redemption of Shares of the relevant Subfund shall be notified of the suspension without delay so that they are given the opportunity to withdraw their application. Notice of the suspension shall be published as described in Chapter 13, “Information for Shareholders”, and in any publications listed in Chapter 22, “Subfunds” if, in the opinion of the Board of Directors, the suspension is likely to last for longer than one week.

Suspension of the calculation of the Net Asset Value of one Subfund shall not affect the calculation of the Net Asset Value of the other Subfunds if none of the above conditions apply to such other Subfunds.

vi. Measures to Combat Money Laundering

Pursuant to the applicable provisions of Luxembourg laws and regulations in relation to the fight against money laundering and terrorist financing ("AML/CFT"), obligations have been imposed on the Company as well as on other professionals of the financial sector to prevent the use of funds for money laundering and financing of terrorism purposes.

The Company and the Management Company will ensure their compliance with the applicable provisions of the relevant Luxembourg laws and regulations, including but not limited to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing (the "2004 AML/CFT Law"), the Grand-Ducal Regulation of 1 February 2010 providing detail on certain provisions of the 2004 AML/CFT Law (the "2010 AML/CFT Regulation"), CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing ("CSSF Regulation 12-02") and relevant CSSF Circulars in the field of AML/CFT, including but not limited to CSSF Circular 18/698 on the authorization and organization of investment fund managers incorporated under Luxembourg law ("CSSF Circular 18/698", and the above collectively referred to as the "AML/CTF Rules").

In accordance with the AML/CTF Rules, the Company and the Management Company are required to apply due diligence measures on the investors (including on their ultimate beneficial owner(s)), their delegates and the assets of the Company in accordance with their respective policies and procedures put in place from time to time.

Among others, the AML/CTF Rules require a detailed verification of a prospective investor's identity. In this context, the Company and the Management Company, or the Central Administration or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company will require prospective investors to provide them with any information, confirmation and documentation deemed necessary in their reasonable judgment, applying a risk-based approach, to proceed such identification.

The Company and the Management Company reserve the right to request such information as is necessary to verify the identity of a prospective or current investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Company and the Management Company are entitled to refuse the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documents have been completed.

The Company and the Management Company moreover reserve the right to reject an application, for any reason, in whole or in part in which event the application monies (if any) or any balance thereof will, to the extent permissible, be returned without unnecessary delay to the prospective investor by transfer to the prospective investor's designated account or by post at the prospective investor's risk, provided the identity of the prospective investor can be properly verified pursuant to the AML/CTF Rules. In such event, the Company and the Management Company will not be liable for any interest, costs or compensation.

In addition, the Company and the Management Company, or the Central Administration or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company, may request investors to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under the AML/CTF Rules, and investors shall be required and accept to comply with such requests.

Failure to provide proper information, confirmation or documentation may, among others, result in (i) the rejection of subscriptions, (ii) the withholding of redemption proceeds by the Company or (iii) the withholding of outstanding dividend payments. Moreover, prospective or current investors who fail to comply with the above requirements may be subject to additional administrative or criminal sanctions under applicable laws, including but not limited to the laws of the Grand Duchy of Luxembourg. None of the Company the Management Company, the Central Administration or any Distributor, nominee or any other type of intermediary (as the case may be)has any liability to an investor for delays or failure to process subscriptions, redemptions or dividend payments as a result of the investor providing no or only incomplete documentation. The Company and the Management Company moreover reserve all rights and remedies available under applicable law to ensure their compliance with the AML/CTF Rules.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "**RBO Law**"), the Company is required to collect and make available certain information on its beneficial owner(s) (as defined in the AML/CTF Rules). Such information includes, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Company. The Company is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the Commission de Surveillance du Secteur Financier, the Commissariat aux Assurances, the Cellule de Renseignement Financier, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CTF Rules, and (ii) to register such information in a publicly available central register of beneficial owners (the "**RBO**").

That being said, the Company or a beneficial owner may however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to the information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extortion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit instructions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO.

In light of the above RBO Law requirements, any persons willing to invest in the Company and any beneficial owner(s) of such persons (i) are required to provide, and agree to provide, the Company and the case being the Management Company the Central Administration or their Distributor, nominee or any other type of intermediary (as the case may be), with the necessary information in order to allow the Company to comply with its obligations in terms of beneficial owner identification, registration and publication under the RBO Law (regardless of applicable rules regarding professional secrecy, banking secrecy, confidentiality or other similar rules or arrangements), and (ii) accept that such information will be made available among others to Luxembourg national authorities and other professionals of the financial sector as well as to the public, with certain limitations, through the RBO.

Under the RBO Law, criminal sanctions may be imposed on the Company in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Company.

vii. Market Timing and Late Trading

The Company does not permit practices related to “Market Timing” (i.e. a method through which an investor systematically subscribes and redeems or converts Shares of Classes within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value).

The Company does further not permit practices related to “Late Trading” (i.e. the execution of a subscription or redemption application after the time limit fixed for accepting applications (the “cut–off time”) on the relevant day and the execution of such application at a price based on the Net Asset Value applicable to such same day). The Company considers that such practices violate the provisions of the Prospectus according to which an application received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscription and redemption applications shall be dealt with at an unknown Net Asset Value.

The Company therefore reserves the right to reject subscription applications from an investor who the Company suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Company.

5. Investment Restrictions

For the purpose of this Chapter, each Subfund shall be regarded as a separate UCITS within the meaning of Article 40 of the Law of 17 December 2010.

The following provisions shall apply to the investments made by each Subfund:

1) The Subfunds’ investments may comprise only one or more of the following:
    a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments as amended;
    b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public; for the purpose of this Chapter “Member State” means a Member State of the European Union (“EU”) or the States of the European Economic Area (“EEA”) other than the Member States of the EU;
    c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another market in a non-Member State which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
    d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;

e) units or shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC ("UCITS") and/or other undertakings for collective investment within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC ("UCI"), whether or not established in a Member State, provided that:
   - these other UCIs are authorised under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Company, to be equivalent to that required by EU Community law and that cooperation between the supervisory authorities is sufficiently ensured,
   - the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
   - the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
   - the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulations or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Company, as equivalent to those laid down in EU Community law;

g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter ("OTC derivatives"), provided that:
   - the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of 17 December 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives,
   - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Company, and
   - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

h) money market instruments other than those dealt in on a regulated market and which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
   - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
   - issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
   - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Company, to be at least as stringent as those required by EU law, or
   - issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Company, 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 of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2) The Subfunds shall, however, not invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1).
The Subfunds may hold ancillary liquid assets in different currencies.

3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.
Each Subfund may, for the purpose of (i) hedging, (ii) efficient portfolio management and/or (iii) implementing its investment strategy, use all financial derivative instruments within the limits laid down by Part I of the Law of 17 December 2010.
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. This shall also apply to the following subparagraphs.
As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embeds a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.
The global exposure may be calculated through the commitment approach or the Value-at-Risk (VaR) methodology as specified for each Subfund in Chapter 22, "Subfunds".
The standard commitment approach calculation converts the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative. When calculating global exposure using the commitment approach, the Company may benefit from the effects of netting and hedging arrangements.
VaR provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The Law of 17 December 2010 provides for a confidence level of 99% with a time horizon of one month.
Unless otherwise specified in Chapter 22, each Subfund shall ensure that its global exposure to financial derivative instruments computed on a commitment basis does not exceed 100% of its total net assets or that the global exposure computed based on a VaR method does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total net assets.
The risk management of the Management Company supervises the compliance of these provision in accordance with the requirements of applicable circulars or regulations issued by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier, CSSF) or any other European authority authorized to issue related regulation or technical standards.

In this context each Subfund is permitted – subject to the rules set out below – to engage in foreign exchange transactions and/or to use other instruments (call and put options) and/or methods based on transferable securities, money market instruments or forward contracts on stock exchange indices.

The overall risk associated with derivatives must not exceed the total net assets of the Subfund concerned. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparties' default risk, future market fluctuations and the time required to realize the positions must be taken into account.

Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt.

The Company may, as part of the investment strategy of a Subfund and within the limits defined in Section 4) paragraph e), engage in derivatives transactions provided the total exposure of the underlying assets does not exceed the investment limits specified in section 4). Investments in index-based derivatives may not be included in the restrictions set out in section 4). If a derivative is embedded in a security or a money market instrument, it must be taken into account when calculating compliance with the provisions of the present section 3).

4) a) No more than 10% of the total net assets of each Subfund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of transferable securities and money market instruments issued by those issuers in which the Subfund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net asset. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction may not exceed the following percentages:

- 10% of total net assets if the counterparty is a credit institution referred to in Chapter 5, "Investment Restrictions", section 1) paragraph f), or
- 5% of total net assets in other cases.

b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
Irrespective of the limits specified in section 4) paragraph a), each Subfund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body, or
- deposits made with that body, or
- exposures arising from OTC derivatives transactions undertaken with that body.

c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.

d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for debt securities that were issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds issued before 8 July 2022 must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Subfund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the Subfund's total net assets.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of a Subfund's total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EEC as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). A Subfund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.

f) **The limit of 10% stipulated in section 4) paragraph a) is in accordance with the principle of risk-spreading raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of 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), by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body to which one or more Member States of the European Union belong. In such case, the Subfund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of the Subfund's total assets.**

g) Without prejudice to the limits laid down in section 7), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in Shares and/or debt securities issued by the same body, when the aim of the Subfund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Company, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it relates,
- it is published in an appropriate manner.

The aforementioned limit of 20% may be raised to a maximum of 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.

5) a) The Company will not invest more than 10% of the total net assets of any Subfund in units/shares of other UCITS and/or in other UCIs ("Target Funds") pursuant to section 1) paragraph e), unless otherwise specified in the investment policy applicable to a Subfund as described in Chapter 22, "Subfunds".

b) Where a higher limit as 10% is specified in Chapter 22, "Subfunds", the following restrictions shall apply:

- No more than 20% of a Subfund's total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the total net assets of the Subfund.

c) Where a Subfund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company with which the Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes ("Affiliated Funds"), the Company or the other company may not charge subscription or redemption fees on account of the Subfund's investment in the units/shares of such Affiliated Funds.

d) A Subfund may act as a feederfund (the "Feederfund") of a masterfund. In such case, the relevant Subfund shall invest at least 85% of its assets in shares/units of another UCITS or of a subfund of such UCITS (the "Masterfund"), which is not itself a Feederfund nor holds units/shares of a Feederfund. The Subfund, as Feederfund, may not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with Article 41, paragraph 2, second sub-paragraph of the Law of 17 December 2010;
- financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41, paragraph 1, point g) and Article 42, paragraphs 2 and 3 of the Law of 17 December 2010;
- movable and immovable property which is essential for the direct pursuit of the Company's business.

A Feederfund that invests into a Masterfund shall disclose in the relevant Subfund's part of Chapter 22, "Subfunds", the maximum level of the management fees that may be charged both to the Feederfund itself and to the Masterfund in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Subfund itself and to the Masterfund. The Masterfund shall not charge subscription or redemption fees for the investment of the Feederfund into its shares/units or the disinvestment thereof.

6) To ensure efficient portfolio management, each Subfund may, in compliance with the provisions of CSSF Circulars 08/356 and 14/592, enter into securities lending transactions, repurchase agreements and reverse repurchase agreements.

7) a) The Company's assets may not be invested in securities carrying voting rights which enable the Company to exercise significant influence over the management of an issuer.

b) Moreover, the Company and each Subfund may acquire no more than

– 10% of the non-voting shares of the same issuer;
– 10% of the debt securities of the same issuer;
– 25% of the units/shares of the same UCITS or other UCI;
– 10% of the money market instruments of any single issuer.

In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated at the time of acquisition.

c) The restrictions set out under paragraphs a) and b) shall not apply to:

– transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
– transferable securities and money market instruments issued or guaranteed by a non-Member State,
– transferable securities and money market instruments issued by public international bodies to which one or more Member States belong,
– shares held by the Company in the capital of a company which is incorporated in a non-Member State and which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State complies with the limits stipulated in section 4, paragraphs a) to e), section 5, and section 7 paragraphs a) and b).

8) The Company may not borrow any money for any Subfund except for:

a) the purchase of foreign currency using a back-to-back loan

b) an amount equivalent to not more than 10% of the Subfund's total net asstes and borrowed on a temporary basis.

9) The Company may not grant loans or act as guarantor for third parties.

This restriction does not rule out the acquisition of non-fully paid-up transferable securities or other non-fully paid-up financial instruments as per section 1) paragraph e), g) and h) by the Subfund in question.

10) The Company may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.

11) The Company may not carry out uncovered sales of transferable securities and money market instruments or other financial instruments referred to in section 1) paragraph e), g) and h).

12) a) In relation to borrowing conducted within the limitations set out in the Prospectus, the Company may pledge or assign the assets of the Subfund concerned as collateral.

b) Furthermore, the Company may pledge or assign the assets of the Subfund concerned them as collateral to counterparties of transactions involving OTC derivatives or financial derivative instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) of number 1) above in order to secure the payment and performance by such Subfund of its obligations to the relevant counterparty. To the extent counterparties require the provision of collateral exceeding the value of the risk to be covered by collateral or the overcollateralization is caused by other circumstances (e.g. performance of the assets posted as collateral or provisions of customary framework documentation), such (excess) collateral may – also in respect of non-cash collateral – be exposed to the counterparty risk of such counterparty and may only have a mere unsecured claim in respect of such assets.

The restrictions set out above shall not apply to the exercise of subscription rights.

During the first six months following official authorization of a Subfund in Luxembourg, the restrictions set out in sections 4) and 5) above need not be complied with, provided that the principle of risk diversification is observed.

If the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company shall as a matter of priority remedy that situation, taking due account of the interests of the Shareholders.

The Company is entitled to issue, at any time, further investment restrictions, in the interests of the Shareholders, if such restrictions are necessary to comply with the legislation and regulations in those countries in which Shares are or will be offered for sale.

6. Risk Factors

In addition to those risk factors set out in Chapter 22, "Subfunds", prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and investment advisors, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Shares under the law of their country of citizenship, residence or domicile (further details are set out in Chapter 8, "Expenses and Taxes"). Investors should be aware that the investments of the Company are subject to market fluctuations and other risks associated with investments in transferable

securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Company, including the risk of loss of the entire amount invested. There is no assurance that the investment objective of a particular Subfund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.

The Net Asset Value of a Subfund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.

Depending on the currency of the investor's domicile, exchange-rate fluctuations may adversely affect the value of an investment in one or more of the Subfunds. Moreover, in the case of an Alternate Currency Class in which the currency risk is not hedged, the result of the associated foreign exchange transactions may have a negative influence on the performance of the corresponding Share Class.

Market Risk

Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Company's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Interest Rate Risk

Subfunds investing in fixed income securities may fall in value due to fluctuations in interest rates. Generally, the value of fixed income securities rises when interest rates fall. Conversely, when interest rates rise, the value of fixed income securities can generally be expected to decrease. Long term fixed income securities will normally have more price volatility than short term fixed income securities.

Foreign Exchange Risk

The Subfunds' investments may be made in other currencies than the relevant Reference Currency and therefore be subject to currency fluctuations, which may affect the Net Asset Value of the relevant Subfunds favorably or unfavorably.

Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Reference Currency of the relevant Subfund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.

The Subfunds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging will be successfully achieved.

Although it is the policy of the Company to hedge the currency exposure of Subfunds against their respective Reference Currencies, hedging transactions may not always be possible and currency risks cannot therefore be excluded.

Share Currency Designation Risk

As the Company may at any time issue, within a Subfund, Alternate Currency Classes, a Class of a Subfund may be designated in a currency other than the Reference Currency of the Subfund and/or the designated currencies in which the Subfund's assets are denominated. The issue of each further or Alternate Currency Class is specified in Chapter 22, "Subfunds". Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Reference Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Subfund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. If specifically mentioned in Chapter 22, "Subfunds", the Company will try to hedge this risk. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Reference Currency of the Subfund and/or the currency/currencies in which the assets of the respective Subfund are denominated. In such circumstances, Shareholders of the relevant Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant assets. Assets used to implement such strategies shall be assets/liabilities of the Subfund as a whole. However, the gains/losses on, and the costs of, the relevant assets will accrue solely to the relevant Class.

Credit Risk

Subfunds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Subfunds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Counterparty Risk

In accordance with its investment objective and policy, a Subfund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Subfund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Subfund.
Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Subfund, the Company will not be restricted from dealing with any particular counterparties. The Company's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and foolproof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses.

The Company may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Subfund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Subfund and its assets. Shareholders should assume that the insolvency of any counterparty would generally result in a loss to the Subfund, which could be material.

If there is a default by the counterparty to a transaction, the Company will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Company may have declined in value.

Regardless of the measures that the Company may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Subfund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Subfund has concentrated its transactions with a single or small group of counterparties.

EU Bank Recovery and Resolution Directive

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "BRRD") was published in the Official Journal of the European Union on June 12, 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the "Bank Resolution Tools").

The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Subfunds, thereby exposing the Subfunds to potential losses.

The exercise of Bank Resolution Tools against investors of a Subfund may also lead to the mandatory sale of part of the assets of these investors, including their shares/units in that Subfund. Accordingly, there is a risk that a Subfund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.
Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Subfunds.

Liquidity Risk

There is a risk that the Company will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Management Risk

The Company is actively managed and therefore the Subfunds may be subject to management risks. The Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Subfunds, however no assurance can be given that the investment decision will achieve the desired results. The Company may in certain cases decide not to use investment techniques, such as derivative instruments, or, they may not be available, even under market conditions where their use could be beneficial for the relevant Subfund.

Custodial Risk and Sub-Custodial Risk

The Company's ability to have access, in whole or in part, to investments held in custody may be restricted, e.g. in cases of investments made in certain markets, bankruptcy, negligence, willful misconduct or fraudulent activity on the part of the Depositary, its sub-custodians or third party custodians.

The Company may place assets of a Subfund outside the Depositary's safekeeping network.

The Depositary remains responsible for supervising and monitoring these assets. However, neither the Depositary nor any of its sub-custodians having fulfilled its legal functions and duties shall be liable for such assets, and the Company (and the Subfund concerned) may suffer thus a loss.

Further, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Subfund's investments which could affect such Subfund's liquidity and which could lead to financial losses.

Sustainability Risks

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

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could have a material negative impact on the value of the investment. The materiality of sustainability risks is determined by the likelihood, magnitude and time-horizon of the risk materializing.

Environmental events or conditions that could result in a sustainability risk generally include climate-related risks due to, for example, global warming and changing weather patterns and extreme weather events such as heatwaves, droughts, floods, storms, hail and forest fires. Those events or conditions can lead to direct loss of production facilities, workforce and parts of the supply chain as well as to increased operating cost from capital expenditure, insurance costs and faster asset depreciation (the risk of such events occurring is often referred to as physical risks). Environmental risks furthermore include risks related to the change to a low-carbon economy. Risk from political measures with respect to fossil fuels or emissions certificates can result in them becoming more expensive or scarce or the substitution of existing products and services with lower emissions options. These risks are generally referred to transition risks.

As regards social events or conditions that could result in a sustainability risk, those include generally but are not limited to health and safety of tenants and employees, human rights violation, poor labour standards, supply chain management issues, deficient employee welfare, data & privacy concerns as well as increasing technological regulation and reliance on new technology infrastructures.

Governance events or conditions that could result in a sustainability risk generally include but are not limited to bribery, corruption, tax fraud, tax evasion, high management incentives, board composition and effectiveness as well as management quality and alignment of management with shareholders.

Sustainability risks can be understood as a sub-category of traditional risk types (e.g. credit-, market-, liquidity-, operational-, and strategy risk) and are identified and managed in the context of risk management processes of the Management Company.

As sustainability risks differ between asset classes and investment styles, they are defined at Subfund level. The Investment Manager identifies sustainability risks by considering sector, industry and company exposure of the portfolio either in absolute terms or relative to the benchmark. Proprietary analysis may be supported by specific frameworks which define industry-specific ESG factors material to a company

The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, region and asset class. For all Subfunds, sustainability risks may result in a negative impact on the returns of the Subfund. Generally, acute and chronic physical risks, new carbon taxes and changing consumer behaviour have been identified as being highly relevant. These risks may lead to increased default risks and financial deterioration return for the investments.

Certain Subfunds may for instance invest in securities of industrial companies (including metals, mining and chemical companies) in which case environmental risks include in particular physical and reputational consequences of pollution or greenhouse gas emissions caused by industrial companies (including but not limited to damages, individual and class legal actions), potential physical damage to property resulting from extreme weather events and climate change, such as droughts, wildfires, flooding and heavy precipitations, heat/cold waves, landslides or storms, the ability of the company to respond to increased production prices and to regulatory and public pressure to reduce the energy and water consumption of buildings and to overcome waste management challenges.

Furthermore, investments into metals, mining and chemical companies (as mentioned above) may carry additional reputational risks resulting from the failure to meet a sustainable thematic objective and/or the ESG Factors and the visibility of such failure.

Similarly, investments in companies and issuers in emerging markets aiming at transitioning to a lower carbon economy will encounter more challenges of various nature (for instance where industrial sector plays an essential part in the economic and social fabric) and will require additional capital in comparison to their developed counterparts to enable them to transition towards more sustainable business practices. Such emerging-country companies and issuers may for instance fail to raise sufficient funds to achieve a successful transition to a lower carbon footprint. Further information is provided in the section "Investments in Emerging Countries" of Chapter 6 "Risk Factors".

Sustainability risks can adversely affect the Subfunds' returns. The effective management of such risks is crucial for mitigating downside risks on the portfolio's returns as well as the negative impact on the society and the environment at large.

Further information is provided in the section "Risk Information" of Chapter 22, "Subfunds".

Sustainable Investing Risks

Given the nascent nature of ES /sustainability regulations and guidelines, the Management Company and the Investment Manager may need to review the representations that are made in this Prospectus regarding the ESG classifications and descriptions in response to evolving statutory, regulatory or internal guidance or changes in industry approach to classification. As such, any ESG classification mentioned in this Prospectus is therefore subject to change. Since sustainability-related practices differ by region, industry and issue and are evolving accordingly, the practice or the assessment of such sustainability-related practice by the Subfunds, respectively their Investment Manager and the Management Company may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which the Investment Managers does business and/or in which the Subfunds are marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Subfunds or on their Investment Manager and the Management Company. Under such requirements, the Investment Manager and the Management Company may be required to classify the Subfunds against certain criteria, some of which can be open to subjective interpretation. Especially their views on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach and this may include making a change to the classification of the Subfunds. Such change to the relevant classification may require certain actions to be taken, including new investments and disinvestments or new processes to be set up to meet the corresponding classification requirements and capture data about the Subfunds' investments, which may lead to additional cost, disclosure and reporting obligations.

Furthermore, investors shall note that the Management Company and the Investment Manager are, wholly or in part, reliant on public and third-party sources of information as well as potentially information produced by the issuer itself. Further, the ability of the Management Company and the Investment Manager to verify such data may be limited by the integrity of the data available in respect of the underlying constituents at the relevant point in time and the status and evolution of global laws, guidelines and regulations in relation to the tracking and provision of such ESG data. ESG data derived from private, public and third-party sources of information may be incorrect, unavailable, or not fully updated. Updates may also be subject of a time lag. ESG classification/scoring also reflects the opinion of the assessing party (including external parties, such as rating agencies or other financial institutions). In the absence of a standardized ESG scoring system, each assessing party has therefore its own research and analysis framework. Therefore, ESG scoring or risk levels given by different assessing parties to the same investment can vary greatly. This also applies for certain investments for which the Management Company and the Investment Manager may only have limited access to data from external parties in respect of the underlying constituents of an investment, due to, e.g. absence of look-through data. In such cases, the Management Company and the Investment Manager will attempt to assess such information on a best-effort basis. Such data gaps could also result in the incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities.

Investors shall also note that the non-financial-/ESG-performance of a portfolio might differ from its financial performance and the Management Company and the Investment Manager cannot give any representation as to the correlation of financial and ESG performance. Adhering to a new ESG classification, respectively a change of ESG classification may also lead to transactional costs to reposition the underlying portfolio as well as new disclosure, reporting, compliance and risk management related costs. Following ESG objectives does not necessarily imply suitability for meeting the investor or client's overall investment objectives, nor any investor/client specific sustainability preferences.

Investment Risk

Investments in Equities

The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.
Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Investments in Fixed Income Securities

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Subfund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

As the Net Asset Value of a Subfund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Subfund's non-Reference Currency investments in terms of the Reference Currency.

The Subfunds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Subfunds may invest in debt instruments in the non investment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments.

The Subunds may also invest in subordinated debt securities. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer.

Investments in Warrants

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the share price of any Subfund investing in warrants may potentially increase.

Investments in CoCos

The Subfunds may invest in CoCos, if so indicated in the relevant Subfund overview in Chapter 22, "Subfunds". CoCos are Tier 1 and Tier 2 subordinated debt securities issued by financial institutions.

CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy.

Additionally, CoCos investors may suffer losses prior to investors in the same financial institution holding equities or bonds ranking pari passu or junior to the CoCos holders.

CoCos terms may vary from issuer to issuer and bond to bond and may expose investors to:

Trigger risk: Under the terms of the CoCos, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCos issuer which could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the CoCos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos. Upon such occurrence, there is a risk of a partial or total loss in nominal value or conversion into the common stock of the issuer which may cause a Portfolio as a CoCo bondholder to suffer losses (i) before both equity investors and other debt holders which may rank pari passu or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern.

Extension risk as there may be no incentive, in the form of a coupon step-up, for the issuer to redeem the securities issued. This would cause the securities' duration to lengthen and to expose investors to higher Interest Rate risk.

Coupon cancellation risk: coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investors in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an evnt of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk. Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its commons equity and variable compensation to its workforce.

Call extension risk: AT1 CoCos are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority.

It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investors may not receive return of principal if expected on call date or indeed at any date.

Unknown risk: Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment.

Depending on how the market views certain triggering events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

Yield/Valuation risk: It is possible in certain circumstances, e.g., issuer discretion not to pay and/or insufficient distributable profits to pay interest in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right, whether in a liquidation, dissolution or winding-up or otherwise, to claim the payment of any foregone interest which may impact the value of the Portfolio.

Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking pari passu with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Capital structure inversion risk: CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency and/or the access of the issuer to liquidity of the issuing financial institution.

Conversion risk/write-down risk: The value of such instrument may be impacted by the mechanism through which the instruments are converted into equity or written down which may vary across different securities which may have varying structures and terms. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond.

In equity convertible CoCos, the conversion share price is important as this determines the economic loss that a Subfund, as a holder of such instruments will suffer upon conversion and may not be pre-determined. For principal write-down CoCos, write-down can be immediate and in many cases there may be a full loss with no expectation of any return of principal. Only some CoCos may be written-back up to par and even then would do so over a potentially long period of time; however even if this is possible, the issuer may be able to call such investment prior to such write-up to par resulting in a loss to the bondholder.

CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity. There are a number of factors which could increase the likelihood of a trigger event occurring, some of which may be outside an issuer's control.

CoCos may trade differently to other subordinated debt of an issuer which does not include a write-down or equity conversion feature which may result in a decline in value or liquidity in certain scenarios. At present, the CoCo market is volatile which may impact the value of the asset.

Coupon payment risk whereby coupon payments may be indefinitely deferred or cancelled with no interest accumulation and potentially no restriction on the issuer to pay dividends to equity holders or coupons to bond holders which rank pari passu or junior to the CoCo bond holders. Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under the European Capital Requirements Directive (CRD IV) and related applicable laws and regulation. This mandatory deferral may be at the same time that equity dividends and bonuses may also restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

Liquidity risk: CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

Industry concentration risk: concentration in investments at certain times in large positions and in a relatively limited number of securities, sectors or regions will make the Subfund more subject to the risks associated with such concentration. The Subfund could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market or a particular type of securities that declines in value and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

Investments in Target Funds

Investors should note that investments in Target Funds may incur the same costs both at the Subfund level and at the level of the Target Funds. Furthermore, the value of the units or shares in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the risks associated with exposure to the emerging markets.

The investment of the Subfunds' assets in units or shares of Target Funds entails a risk that the redemption of the units or shares may be subject to restrictions, with the consequence that such investments may be less liquid than other types of investment.

Use of Derivatives

While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.

Derivative instruments also carry the risk that a loss may be sustained by the Company as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Company if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

Investments in Hedge Fund Indices

In addition to the risks entailed in traditional investments (such as market, credit and liquidity risks), investments in hedge fund indices entail a number of specific risks that are set out below.

The hedge funds underlying the respective index, as well as their strategies, are distinguished from traditional investments primarily by the fact that their investment strategy may involve the short sale of securities and, on the other hand, by using borrowings and derivatives, a leverage effect may be achieved.

The leverage effect entails that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the Company's assets. The use of derivative instruments, and in particular of short selling, can in extreme cases lead to a total loss in value.

Most of the hedge funds underlying the respective index were established in countries in which the legal framework, and in particular the supervision by the authorities, either does not exist or does not correspond to the standards applied in western Europe or other comparable countries. The success of hedge funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.

Investments in Commodity and Real Estate Indices

Investments in products and/or techniques providing an exposure to commodity, hedge fund and real estate indices differ from traditional investments and entail additional risk potential (e.g. they are subject to greater price fluctuations). When included in a broadly diversified portfolio, however, investments in products and/or techniques providing an exposure to commodity and real estate indices generally show only a low correlation to traditional investments.

Investments in Illiquid Assets

The Company may invest up to 10% of the total net assets of each Subfund in transferable securities or money market instruments which are not traded on stock exchanges or regulated markets. It may therefore be the case that the Company cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Company may under certain circumstances trade futures contracts or options thereon. Such instruments may also be subject to illiquidity in certain situations when, for example, market activity decreases, or when a daily fluctuation limit has been reached. Most futures exchanges restrict the fluctuations in future contract prices during a single day by regulations referred to as "daily limits". During a single trading day, no trades may be executed at prices above or below these daily limits. When the price of a futures contract has increased or decreased to the limit, positions can neither be purchased nor compensated. Futures prices have occasionally moved outside the daily limit for several consecutive days with little or no trading. Similar occurrences may prevent the Company from promptly liquidating unfavourable positions and therefore result in losses.

For the purpose of calculating the Net Asset Value, certain instruments, which are not listed on an exchange, for which there is limited liquidity, will be valued based upon the average price taken from at least two major primary dealers. These prices may affect the price at which Shares are redeemed or purchased. There is no guarantee that in the event of a sale of such instruments the price thus calculated can be achieved.

Investments in Asset Backed Securities and Mortgage Backed Securities

The Subfunds may have exposure to asset backed securities („ABS") and mortgage backed securities („MBS"), if so indicated in the relevant Subfund overview in Chapter 22, "Subfunds". ABS and MBS are debt securities issued by a special purpose vehicle (SPV) with the aim to pass through of liabilities of third parties other than the parent company of the issuer. Such securities are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims).

ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

Small to medium-sized Companies

A number of Subfunds may invest primarily in small and mid-cap companies. Investing in the securities of smaller, lesser-known companies involves greater risk and the possibility of greater price volatility due to the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

Hedged Share Class Risk

The hedging strategy applied to hedged Share Classes may vary from one Subfund to another. Each Subfund will apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Subfund and the nominal currency of the hedged Share Class while taking various practical considerations into account. The hedging strategy aims to reduce, however may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Share Classes within a Subfund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Share Class could result in liabilities affecting the Net Asset Value of the other Share Classes of the same Subfund. In such case assets of other Share Classes of such Subfund may be used to cover the liabilities incurred by the hedged Share Class.

Clearing and Settlement Procedures

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Subfund remaining temporarily not invested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Subfund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Subfund due to subsequent declines in value of the portfolio security or, if a Subfund has entered into a contract to sell the security, could result in possible liability to the purchaser.

Investment Countries

The issuers of fixed income securities and the companies, the Shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Company's ability to invest in securities of certain issuers located in those countries.

Concentration on certain Countries/Regions

Where a Subfund restricts itself to investing in securities of issuers located in a particular country or countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in these Subfunds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

Investments in Emerging Market Countries

Investors should note that certain Subfunds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Subfunds investing in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of these Subfunds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.

It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Subfunds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

Risks associated with the Stock Connect Scheme

The Subfunds may invest in eligible China A shares ("China Connect Securities") through the Stock Connect Scheme). The Stock Connect Scheme is a securities trading and clearing linked program developed by, amongst others, The Stock Exchange of Hong Kong Limited ("SEHK"), Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE"), Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong.

For investment in China Connect Securities, the Stock Connect Scheme provides the "Northbound Trading Link". Under the Northbound Trading Link, investors, through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to place orders to trade China Connect Securities listed on the SSE and the SZSE by routing orders to the SSE and the SZSE.

Under the Stock Connect Scheme, HKSCC, also a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEx"), will be responsible for the clearing, settlement and the provision of nominee and other related services of the trades executed by Hong Kong market participants and investors.

<u>China Connect Securities Eligible for Northbound Trading Link</u>

China Connect Securities eligible for trading on the Northbound Trading Link, as of the date of the Prospectus, include(1) shares listed on the SSE that are (a) constituent stocks of SSE 180 Index; (b) constituent stocks of SSE 380 Index; (c) China A shares listed on the SSE that are not constituent stocks of the SSE 180 Index or SSE 380 Index, but which have corresponding China H shares listed on the SEHK, provided that: (i) they are not traded on the SSE in currencies other than Renminbi ("RMB"); and (ii) they are not included in the risk alert board; and (2) shares that are (a) constituent stocks of SZSE Component Index and SZSE Small/Mid Cap Innovation Index ("SZSE Constituent Stocks") and have a market capitalisation of RMB 6 billion or above and (b) China A shares listed on the SZSE that are not SZSE Constituent Stocks but which have corresponding China H shares listed on the SEHK, provided that (i) they are not traded on the SZSE in currencies other than RMB and (ii) they are not included in the risk alert board. SEHK, SSE and/or SZSE may include or exclude securities as China Connect Securities and may change the eligibility of shares for trading on the Northbound Trading Link from time to time.

<u>Ownership of China Connect Securities</u>

China Connect Securities acquired by Hong Kong and overseas investors (including the relevant Subfunds) through the Stock Connect Scheme are held in ChinaClear and HKSCC is the "nominee holder" of such China Connect Securities. Applicable PRC rules, regulations and other administration measures and provisions (the "Stock Connect Scheme Rules") generally provide for the concept of a "nominee holder" and recognise the concept of a "beneficial owner" of securities. In this respect, a nominee holder (being HKSCC in relation to the relevant China Connect Securities) is the person who holds securities on behalf of others (being Hong Kong and overseas investors (including the relevant Subfunds) in relation to the relevant China Connect Securities). HKSCC holds the relevant China Connect Securities on behalf of Hong Kong and overseas investors (including the relevant Subfunds) who are the beneficial owners of the relevant China Connect Securities. The relevant Stock Connect Scheme Rules provide that investors enjoy the rights and benefits of the China Connect Securities acquired through the Stock Connect Scheme in accordance with applicable laws. Based on the provisions of the Stock Connect Scheme Rules, it is the Hong Kong and overseas investors (including the relevant Subfunds) who should be recognised under the laws and regulations of the PRC as having beneficial ownership in the relevant China Connect Securities. Separately, under applicable rules of the Central Clearing and Settlement System ("CCASS") all proprietary interests in respect of the relevant China Connect Securities held by HKSCC as nominee holder belong to the relevant CCASS participants or their clients (as the case may be).

However Northbound investors shall exercise their rights in relation to the China Connect Securities through the CCASS clearing participant and HKSCC as the nominee holder. With respect to certain rights and interests of China Connect Securities that can only be exercised via bringing legal actions to mainland China competent courts, it is uncertain whether such rights could be enforced since under the CCASS rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the China Connect Securities in mainland China or elsewhere.

The precise nature and rights of a Northbound investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under mainland China law and the exact nature and methods of enforcement of the rights and interests of Northbound investors under mainland China law are not free from doubt.

<u>Pre-trade checking</u>

Mainland China law provides that SSE and SZSE may reject a sell order if an investor (including the Subfunds) does not have sufficient available China A shares in its account. SEHK will apply similar checking on all sell orders of China Connect Securities on the Northbound Trading Link at the level of SEHK's registered exchange participants ("Exchange Participants") to ensure there is no overselling by any individual Exchange Participant ("Pre-Trade Checking").

<u>Quota limitations</u>

Trading under the Stock Connect Scheme will be subject to a maximum a daily quota ("Daily Quota"). The Northbound Trading Link will be subject to a separate set of Daily Quota, which is monitored by SEHK. The Daily Quota limits the maximum net buy value of cross-border trades via the Northbound Trading Link under the Stock Connect Scheme each day. The applicable quota may change from time to time without prior notice and consequently affect the buy trades on the Northbound Trading Link.

In particular, once the remaining balance of the Daily Quota applicable to the Northbound Trading Link drops to zero or such Daily Quota is exceeded, new buy orders will be rejected (though investors will be allowed to sell their China Connect Securities regardless of the quota balance). Therefore, quota limitations may restrict the Subfunds' ability to invest in China Connect Securities through the Stock Connect Scheme on a timely basis.

<u>Restriction on Day Trading</u>

Day (turnaround) trading is not permitted on the China A share market. Therefore, the Subfunds buying China Connect Securities on T day can only sell the shares on and after T+1 day subject to any China Connect Rules. This will limit the Subfunds' investment options, in particular where a Subfund wishes to sell any China Connect Securities on a particular trading day. Settlement and Pre-Trade Checking requirements may be subject to change from time to time.

<u>Order Priority</u>

Where a broker provides the Stock Connect Scheme trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

<u>Best Execution Risk</u>

China Connect Securities trades may, pursuant to the applicable rules in relation to the Stock Connect Scheme, be executed through one or multiple brokers that may be appointed for the Subfunds for trading via the Northbound Trading Link. In order to satisfy the Pre-Trade Checking requirements, the Subfunds may determine that they can only execute China Connect Securities trades through certain specific broker(s) or Exchange Participant(s) and accordingly such trades may not be executed on a best execution basis.

In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the Subfunds. In some cases, aggregation may operate to the Subfunds' disadvantage and in other cases aggregation may operate to the Subfunds' advantage.

<u>Limited off-exchange trading and transfers</u>

"Non-trade" transfers (i.e. off-exchange trading and transfers) through the Stock Connect Scheme are generally not permitted except in limited circumstances provided under the Stock Connect Scheme Rules .

<u>Clearing, settlement and custody risks</u>

HKSCC and ChinaClear have established the clearing links between SEHK and SSE and SZSE and each has become a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities traded through the Stock Connect Scheme are issued in scripless form, so investors, including the Subfunds, will not hold any physical China Connect Securities. Under the Stock Connect Scheme, Hong Kong and overseas investors, including the Subfunds, which have acquired China Connect Securities through the Northbound Trading Link, should maintain such China Connect Securities with their brokers' or custodians' stock accounts with CCASS operated by HKSCC.

There are risks involved in dealing with the custodians or brokers who hold the Subfunds' investments or settle the Subfunds' trades under this arrangement. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the Subfunds would be delayed or prevented from recovering the relevant assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

Due to the short settlement cycle for China Connect Securities, the CCASS clearing participant acting as custodian may act upon the exclusive instruction of the selling broker duly instructed by the relevant Subfund's Investment Manager. For such purpose the Depositary Bank may have to waive, at the risk of the Subfund, its settlement instruction right in respect of CCASS clearing participant acting as its custodian in the market.

Accordingly, the selling brokerage and custody services may be provided by one entity, whereas the Subfund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures.

The Subfunds' rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of the China Connect Securities credited to HKSCC's RMB common stock omnibus account with ChinaClear.

<u>Risk of CCASS Default and ChinaClear Default</u>

Investors should note that China Connect Securities held with relevant brokers' or custodians' accounts with CCASS may be vulnerable in the event of a default, bankruptcy or liquidation of CCASS. In such case, there is a risk that the Subfunds may not have any proprietary rights to the assets deposited in the account with CCASS, and/or the Subfunds may become unsecured creditors, ranking pari passu with all other unsecured creditors, of CCASS.

Further, the Subfunds' assets under relevant brokers' or custodians' accounts with CCASS may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Subfunds. In particular, there is a risk that creditors of CCASS may assert that the securities are owned by CCASS and not the Subfunds, and that a court would uphold such an assertion, in which case creditors of CCASS may seek to seize assets of the Subfunds.

In the event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear will deduct the amount of that shortfall from HKSCC's RMB common stock omnibus account with ChinaClear, such that the Subfunds may share in any such shortfall.

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. Should the remote event of ChinaClear's default occur and ChinaClear be declared as a defaulter, HKSCC has stated that it will in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect authorities. In that event, the Subfunds may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

<u>Participation in corporate actions and shareholders' meetings</u>

Following existing market practice in the PRC, investors engaged in trading of China Connect Securities on the Northbound Trading Link will not be able to attend meetings by proxy or in person of the relevant SSE-listed company or the relevant SZSE-listed company. The Subfunds will not be able to exercise the voting rights of the invested company in the same manner as provided in some developed markets.

In addition, any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website or the SZSE website and certain officially appointed newspapers. However, SSE-listed issuers and SZSE-listed issuers publish corporate documents in Simplified Chinese only, and English translations will not be available.

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including the Subfunds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Subfunds may not be able to participate in some corporate actions in a timely manner. Further, as multiple proxies are not available in mainland China, the Subfunds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of China Connect Securities. There is no assurance that CCASS participants who participate in the Stock Connect Scheme will provide or arrange for the provision of any voting or other related services.

<u>Short swing profit rule and Disclosure of Interests</u>

Short swing profit rule risk

According to the mainland China securities law, a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares ("Major Shareholder") of a mainland China incorporated company which is listed on a stock exchange in mainland China (a "PRC Listco") has to return any profits obtained from the purchase and sale of shares of such PRC Listco if both transactions occur within a six-month period. In the event that the Company becomes a Major Shareholder of a PRC Listco by investing in China Connect Securities via the Stock Connect Scheme, the profits that the Subfunds may derive from such investments may be limited, and thus the performance of the Subfunds may be adversely affected depending on the Company's size of investment in China Connect Securities through the Stock Connect Scheme.

Disclosure of Interests Risk

Under the mainland China disclosure of interest requirements, in the event the Company becomes a Major Shareholder of a PRC Listco may be subject to the risk that the Company's holdings may have to be reported in aggregate with the holdings of such other persons mentioned above. This may expose the Company's holdings to the public with an adverse impact on the performance of the Subfunds.

<u>Foreign Ownership Limits</u>

Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC Listco based on thresholds as set out under the mainland China regulations (as amended from time to time), the capacity of the Subfunds (being foreign investors) to make investments in China Connect Securities will be affected by the relevant threshold limits and the activities of all underlying foreign investors.

It will be difficult in practice to monitor the investments of the underlying foreign investors since an investor may make investment through different permitted channels under mainland China laws.

<u>Operational risk</u>

The Stock Connect Scheme is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Stock Connect Scheme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Further, the "connectivity" in the Stock Connect Scheme requires routing of orders across the border of Hong Kong and mainland China. This requires the development of new information technology systems on the part of SEHK and Exchange Participants (i.e. China Stock Connect System) to be set up by SEHK to which Exchange Participants need to connect). There is no assurance that the systems of SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Stock Connect Scheme could be disrupted. The Subfunds' ability to access the China A share market through the Stock Connect Scheme (and hence to pursue its investment strategy) may be adversely affected.

<u>Regulatory risk</u>

The Stock Connect Scheme is a new program to the market and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect Scheme.

<u>No Protection by Investor Compensation Fund</u>

The Subfunds' investments through Northbound Trading Link is currently not covered by the Hong Kong's Investor Compensation Fund. Therefore the Subfunds are exposed to the risks of default of the broker(s) engaged in their trading in China Connect Securities.

<u>Differences in trading day</u>

The Stock Connect Scheme will only operate on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but investors, including the Subfunds, cannot carry out any China Connect Securities trading. The Subfunds may be subject to a risk of price fluctuations in China Connect Securities during the time when the Stock Connect Scheme is not trading as a result.

<u>Risks relating to suspension of the mainland China stock markets</u>

Securities exchanges in mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges, whereby trading in any China A-shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the Subfunds to losses.

<u>Mainland China tax risk</u>

Under Caishui [2014] No. 81 for the Shanghai-Hong Kong Connect scheme and Caishui [2016] No. 127 for the Shenzhen-Hong Kong Connect scheme jointly issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014 and 5 November 2016 respectively, investors investing in China Connect Securities through the Stock Connect Scheme are exempt from income tax on capital gains derived from the sales of China Connect Securities. However, there is no guarantee on how long the exemption will last and there can be no certainty that the trading of China Connect Securities will not attract a liability to such tax in the future. The mainland China tax authorities may in the future issue further guidance in this regard and with potential retrospective effect.

In light of the uncertainty as to how gains or income that may be derived from the Subfunds' investments in mainland China will be taxed, the Management Company reserves the right to increase the tax burden which is caused by withholding tax on such gains or income and withhold tax for the account of the investments for and on behalf of the Subfunds.

Risks relating to ChiNext Board of SZSE

Certain eligible China A shares under the Shenzhen-Hong Kong Connect scheme are listed on the SZSE's ChiNext Board, which will be limited to the institutional professional investors at the initial stage of Shenzhen Connect. Generally, stocks listed on ChiNext Board contain higher risk than those listed on main board and small and medium enterprise board ("SME").

Regulatory risk

The listing requirements of ChiNext Board are less stringent than main board and SME, e.g. requiring a shorter track record period and lower net profit, revenue and operating cash flow. Moreover, the disclosure rules applied to the ChiNext Board are different from main board and SME Board. For example, ad hoc reports of ChiNext companies are only required to be published on a CSRC designated website and on the issuers' website. If investors continue to check information through the usual disclosure channels for main board and SME Board, they may miss out some important information disclosed by ChiNext companies

Operating risk

Companies listed on ChiNext Board are generally in the early stage of development, whose business is unstable, profitability is low, and less resilient against market and industry risks. Operating risks experienced by these companies often include technical failure, new products are not well-received by the market, failure to catch up the market development and any changes in the founder, management team and core technician team.

Delisting risk

Compared to the main board, the proportion of companies delisting is higher on the ChiNext Board.

Fluctuation in stock price

As companies listed on ChiNext Board are relatively small and their business performance are unstable, they are more vulnerable to speculation. Share price of the ChiNext stocks is more volatile.

Technical risk

Companies listed on ChiNext Board are mainly high technology companies, whose success is subject to technical innovations. However, these companies are exposed to the risks and challenges relating to technical innovation, such as high R&D costs, technical failure, and rapid development and replacement in technology and product market.

Risks relating to valuation

Generally, it is difficult to estimate the value of a company listed on ChiNext Board as they are in the early stage of development with short operating history and unstable profits and cash flow. Therefore, traditional valuation method, such as price-to-earnings ratio and price-to-book ratio, is difficult to be applied.

No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management Company to or from any of the PRC governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares of the Subfund in or from the PRC and the Management Company does not intend to or will not, directly or indirectly, advertise, offer, distribute or sell the Shares of the Subfund to persons resident in the PRC.

The Shares of the Subfund are not intended to be offered or sold within the PRC or to PRC investors. Any PRC investor shall not subscribe for Shares unless it is permitted to do so under all relevant PRC laws, rules, regulations, notices, directives, orders or other regulatory requirements in the PRC issued by any PRC governmental or regulatory authority that are applicable to the investor, the Company or the Investment Manager (whether or not having the force of law) as may be issued and amended from time to time. Where applicable PRC investors are responsible for obtaining all necessary governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission and/or other relevant regulatory bodies as applicable, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. If an investor fails to comply with the above, the Company may take any action in good faith and acting on reasonable grounds in relation to such investor's Shares to comply with relevant regulatory requirements, including effecting compulsory redemption of Shares owned by the relevant investor, subject to the Articles of Incorporation, and applicable laws and regulations.

Persons into whose possession this Prospectus or any Shares may come must inform themselves about, and observe, any such restrictions.

Industry/Sector Risk

The Subfunds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Subfunds' investments.

Total Return Swaps

A total return swaps is an OTC derivative contract in which the total return payer transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to the total return receiver. In exchange, the total return receiver either makes an upfront payment to the total return payer, or makes periodic payments based on set rate which can be either fixed or variable.

Total return swaps thus typically involve a combination of market risk and interest rate risk, as well as counterparty risk.

In addition, due to the periodic settlement of outstanding amounts and/or periodic margin calls under the relevant contractual agreements, counterparty may, under unusual market circumstances, have insufficient funds available to pay the amounts due. Moreover, total return swaps are bespoke transactions among others with respect to its reference obligation, duration, and contractual terms, including frequency and conditions for settlement. Such lack of standardisation may adversely affect the price or conditions under which a TRS can be sold, liquidated or closed out. Any total return swaps therefore involve certain degree of liquidity risk.

Finally, as any OTC derivatives, total return swaps are bilateral agreements which involve a counterparty which may, for any reason, not be in a position to fulfil its obligations under the total return swaps. Each party to the total return swaps is therefore exposed to counterparty risk and, if the agreement includes the use of collaterals, to the risks related to collateral management.

Investors are invited to consider the relevant risk warnings on Market Risk, Interest Rate Risk, Liquidity Risk, Counterparty Risk and Collateral Management set out in this Chapter.

Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions

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

A Subfund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Subfund to the counterparty as required by the terms of the transaction. The Subfund 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 Subfund.

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

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

Taxation

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.
It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Subfunds invest or may invest in the future, might change. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

FATCA

Capitalized terms used in this section should have the meaning as set forth in the Luxembourg amended law dated 24 July 2015 (the "FATCA Law"), unless provided otherwise herein.

The Company may be subject to regulations imposed by foreign regulators, in particular FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and U.S. persons' (within the meaning of FATCA) 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 Company will be treated as a Foreign Financial Institution (within the meaning of FATCA). As such, the Company 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 Company become subject to a withholding tax as a result of FATCA, the value of the Shares held by all Shareholders may be materially affected.

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

Despite anything else herein contained, the Company 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 Company;
- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company 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 the Luxembourg 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 a Shareholder until the Company holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

Data protection information in the context of FATCA processing

In accordance with the FATCA Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg tax authority (i.e. *Administration des Contributions Directes*, the "Luxembourg Tax Authority") information regarding reportable persons such as defined in the FATCA Law.

The Company qualifies as a Reporting FI ("Reporting FI" as such term is defined in the FATCA Law) for FATCA purposes. As such, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as reportable persons for FATCA purposes.

The Company processes personal data concerning Shareholders or their Controlling Persons for the purpose of complying with the Company's legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information in relation to the Shareholders or their Controlling Persons for the purposes of the FATCA Law (the "FATCA Personal Data").

The FATCA Personal Data will be reported by the Reporting FI, the Management Company or the Central Administration, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.

In particular, Shareholders and Controlling 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 Luxembourg Tax Authority.

FATCA Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of FATCA processing, may include the Management Company and the Central Administration.

The Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Shareholder or Controlling Person providing the Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

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

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the FATCA Law imposed on the Company (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholders.

Shareholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA-Law on their investment.
FATCA Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

German Investment Tax Act Reform

Shareholders must be aware of potential tax impacts resulting from amendments to the current German Investment Tax Act (*Investmentsteuergesetz*) by the German Investment Tax Reform Act applicable as from 1 January 2018 (GInvTA). As a consequence, in principle a newly introduced opaque tax regime applies, where as a rule both the investment fund (*Investmentfonds*) or its subfunds (*haftungs- und vermögensrechtlich voneinander getrennte Teile eines Investmentfonds*) within the meaning of the GInvTA as the case may be and its investors are subject to taxation. With its entry into force on 1 January 2018, the GInvTA should in general apply to all investment funds (*Investmentfonds*) or its sub-funds (*haftungs- und vermögensrechtlich voneinander getrennte Teile eines Investmentfonds*) within the meaning of the GInvTA as the case may be and their investors without providing for any grandfathering rules.

Data protection information in the context of FATCA processing

In accordance with the FATCA Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg tax authority (i.e. Administration des Contributions Directes, the "Luxembourg Tax Authority") information regarding reportable persons such as defined in the FATCA Law.

The Company is the data controller and processes personal data of Shareholders and Controlling Persons as reportable persons for FATCA purposes.

The Company processes personal data concerning Shareholders or their Controlling Persons for the purpose of complying with the Company's legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information in relation to the Unitholders or their Controlling Persons for the purposes of the FATCA Law (the "FATCA Personal Data").

The FATCA Personal Data will be reported by the Reporting FI, the Management Company or the Central Administration, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.

In particular, Shareholders and Controlling 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 Luxembourg Tax Authority.

FATCA Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of FATCA processing, refer to the Management Company of the Company and the Central Administration of the Company.

The Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Shareholder or Controlling Person providing the Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

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

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the FATCA law imposed on the Company (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholders.

Shareholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA-Law on their investment.

Each Shareholder or Controlling Person has a right to access any data reported to the Luxembourg Tax Authority for the purpose of the FATCA Law and, as the case may be, to have these data rectified in case of error by writing to the Central Administration as defined under this Prospectus.

FATCA Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods and the statutory limitations.

Common Reporting Standard

The Company 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").

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

Under the terms of the CRS-Law, the Company is treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company is required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders as per the CRS-Law (the "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 Company's ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS-Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The term "Controlling Person" means in the present context any natural persons who exercise control over an entity. In the case of a trust it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS-Law will be disclosed to the Luxembourg tax authority 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 Luxembourg tax authority.

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

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

Data protection information in the context of CRS processing

In accordance with the CRS-Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS-Law.

As Luxembourg Reporting FI, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS-Law.

In this context, the Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person that is a Reportable Person (the "CRS Personal Data").

CRS Personal Data regarding the Shareholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Company processes the CRS Personal Data regarding the Shareholders or the Controlling Persons only for the purpose of complying with the Company's legal obligations under the CRS Law.

In particular, Shareholders and Controlling 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 Luxembourg Tax Authority.

CRS Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of CRS processing, may include the Management Company of the Company and the Central Administration of the Company.

The Company's ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder or Controlling Person providing the Company with the CRS Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Company 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 Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS-Law, the value of the Shares may suffer material losses.

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the CRS-Law imposed on the Company (inter alia: a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

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

CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

Sanctions

Certain countries or designated persons or entities may, from time to time, be subject to sanctions and other restrictive measures imposed by states or supranational authorities (for example, but not limited to, the European Union or the United Nations), or their agencies (collectively, "Sanctions").

Sanctions may be imposed among others on foreign governments, state-owned enterprises, sovereign wealth funds, specified companies or economic sectors, as well as non-state actors or designated persons associated with any of the foregoing. Sanctions may take different forms, including but not limited to trade embargoes, prohibitions or restrictions to conduct trade or provide services to targeted countries or entities, as well as seizures, asset freezes and/or the prohibition to provide or receive funds, goods or services to or from designated persons.

Sanctions may adversely affect companies or economic sectors in which the Company, or any of its Subfunds, may from time to time invest. The Company could experience, among others, a decrease in value of securities of any issuer due to the imposition of Sanctions, whether directed towards such issuer, an economic sector in which such issuer is active, other companies or entities with which such issuer conducts business, or towards the financial system of a certain country. Because of Sanctions, the Company may be forced to sell certain securities at unattractive prices, at inopportune moments and/or in unfavourable circumstances where it may not have done so in the absence of Sanctions. Even though the Company will make reasonable efforts, acting in the best interest of the investors, to sell such securities under optimal conditions, such forced sales could potentially result in losses for the Subfunds concerned. Depending on the circumstances, such losses could be considerable. The Company may also experience adverse consequences due to an asset freeze or other restrictive measures directed at other companies, including but not limited to any entity that serves as a counterparty to derivatives, or as a sub-custodian, paying agent or other service provider to the Company or any of its Subfunds. The imposition of Sanctions may require the Company to sell securities, terminate ongoing agreements, lose access to certain markets or essential market infrastructure, cause some or all of a Subfund's assets to become unavailable, freeze cash or other assets belonging to the Company and/or adversely affect the cash flows associated with any investment or transaction.

The Company, the Management Company, the Depositary, the Investment Manager and any other Company's service providers or members from the UBS Group AG (collectively, the "Fund Parties") are required to comply with all applicable sanctions laws and regulations, including in the countries in which the Fund Parties conduct business (recognizing that certain of the sanctions regimes have implications for cross-border or foreign activities) and will implement the necessary policies and procedures to this effect (collectively, "Sanctions Policies"). The Shareholders should note that these Sanctions Policies will be developed by the Fund Parties in their discretion and best judgment and may involve protective or preventive measures that go beyond the strict requirements of applicable laws and regulations imposing any Sanctions, which may further negatively impact the investments of the Company.

Armed conflicts risk

At a future date following its investments, a Subfund may find itself in a situation where it has exposure to issuers that are based or have business operations or assets in a region where an armed conflict, caused either by state actors or by non-state actors, is occurring. As a consequence of such armed conflict, trade, payment infrastructure, control over investments and business operations may be significantly impeded, and, as such, investments in such region may suffer extensive losses. Such Subfund may suffer losses because of the adverse impact of such armed conflict on the Subfund's investments in such a region or in an issuer with either business operations or assets in such a region.

7. Net Asset Value

Unless stated otherwise specified in Chapter 22, "Subfunds", the Net Asset Value of the Shares of each Subfund shall be calculated under the responsibility of the Board of Directors in Luxembourg as of each Banking Day (each such day being referred to as a "Valuation Day").

In case the Valuation Day is not a Banking Day, the Net Asset Value of that Valuation Day will be calculated as of the next following Banking Day. If a Valuation Day falls on a day which is a holiday in countries whose stock exchanges or other markets are decisive for valuing the majority of a Subfund's assets, the Company may decide, by way of exception, that the Net Asset Value of the Shares of this Subfund will not be be determined as of such days.

For determining the Net Asset Value, the assets and liabilities of the Company shall be allocated to the Subfunds (and to the individual Classes within each Subfund), the calculation is carried out by dividing the Net Asset Value of the Subfund by the total number of Shares outstanding for the relevant Subfund or the relevant Class. If the Subfund in question has more than one Class, that portion of the Net Asset Value of the Subfund attributable to the particular Class will be divided by the number of issued Shares of that Class.

The Net Asset Value of an Alternate Currency Class shall be calculated first in the Reference Currency of the relevant Subfund.

The Net Asset Value of the Alternate Currency Class shall be calculated through conversion at those rates between the Reference Currency and the Alternate Currency of the relevant Class which are determined on any Valuation Day at 5 p.m. (Central European Time).

The Net Asset Value of the Alternate Currency Class will in particular reflect the costs and expenses incurred for the currency conversion in connection with the subscription, redemption and conversion of Shares in this Class and for hedging the currency risk.

Unless otherwise specified in Chapter 22, "Subfunds", the assets of each Subfund shall be valued as follows:

a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, but a closing mid-price (the mean of the closing bid and ask prices) or a closing bid price is available, the closing mid-price, or alternatively the closing bid price, may be taken as a basis for the valuation.

b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.

c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.

d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.

e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Company shall value these securities in accordance with other criteria to be established by the Board of Directors and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.

f) Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis based on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Board of Directors. When deciding whether to use the bid, offer or mid prices the Board of Directors will take into consideration the anticipated subscription or redemption flows, among other parameters. If, in the opinion of the Board of Directors, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Board of Directors or by such other method as it deems in its discretion appropriate.

g) The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.

h) Units or shares of UCITS or UCI shall be valued on the basis of their most recently calculated Net Asset Value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices are available for units or shares of UCITS or other UCI, the units or shares of such UCITS or UCIs may be valued at the mean of such buy and sell prices.

i) The value of total return swaps is calculated on a regular basis using comprehensible, transparent criteria. The Company and the Independent Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

j) The value of credit default swaps is calculated on a regular basis using comprehensible, transparent criteria. The Company and the Independent Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

k) Liquid assets, fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Subfund at those rates, which are determined on any Valuation Day at 5 p.m. (Central European Time). Foreign exchange transactions conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Board of Directors shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Subfund's assets.The Net Asset Value shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency which is currently used unless otherwise specified in Chapter 22, "Subfunds".

The Net Asset Value of one or more Classes may also be converted into other currencies at those rates, which are determined on any Valuation Day at 5 p.m. (Central European Time), should the Board of Directors decide to effect the issue and redemption of Shares in one or more other currencies. Should the Board of Directors determine such currencies, the Net Asset Value of the Shares in these currencies shall be rounded up or down to the next smallest unit of currency.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

The total Net Asset Value of the Company shall be calculated in the Company's Reference Currency.

Adjustment of the Net Asset Value (Single Swing Pricing)

In order to protect existing Shareholders and subject to the conditions set out in Chapter 22, "Subfunds", the Net Asset Value per Share Class of a Subfund may be adjusted upwards or downwards by a maximum percentage ("swing factor") indicated in Chapter 22, "Subfunds", in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. In such case the same Net Asset Value applies to all incoming and outgoing investors on that particular Valuation Day.

The adjustment of the Net Asset Value aims to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the respective Subfund due to subscriptions, redemptions and/or conversions in and out of the Subfund. Existing Shareholders would no longer have to indirectly bear these costs since they are directly integrated into the calculation of the Net Asset Value and hence are borne by incoming and outgoing investors.

The Net Asset Value may be adjusted on every Valuation Day on a net deal basis. The Board of Directors can set a threshold (net capital flows that needs to be exceeded) to apply the adjustment to the Net Asset Value. Shareholders should note that the performance calculated on the basis of the adjusted Net Asset Value might not reflect the true portfolio performance as a consequence of the adjustment of the Net Asset Value.

8. Expenses and Taxes

i. Taxes

Taxation of the Company

<u>Subscription tax</u>

The following summary is based on the laws and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes thereto.

Unless otherwise specified in Chapter 22, "Subfunds", the Company's assets are subject to a tax ("*taxe d'abonnement*") in the Grand Duchy of Luxembourg of 0.05% p. a., payable quarterly.

This rate is however of 0.01% per annum for:

- individual Subfunds the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Subfunds the exclusive object of which is the collective investment in deposits with credit institutions; and,
- individual Subfunds as well as for individual Classes, provided that the Shares of such Subfund or Class are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the

conditions resulting from the Luxembourg regulator's administrative practice).

The Net Asset Value of each Subfund at the end of each quarter is taken as the basis for calculation.

Are further exempt from the subscription tax:

- the value of the assets of a Subfund represented by units or shares held in other UCIs, provided such units or shares have already been subject to the subscription tax;

- individual Subfunds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency; and

- Subfunds whose Shares are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees.

<u>Income Tax</u>

The Company is not subject to Luxembourg income taxes.

<u>Withholding tax</u>

Under current Luxembourg tax law, there is no tax on any distribution, redemption or payment made by the Company to its Shareholders. There is no withholding tax on the distribution of liquidation proceeds to the Shareholders.

Dividends, interest, income and gains received by the Company on its investments may be subject to non-recoverable withholding tax or other taxes in the countries of origin.

<u>VAT</u>

The Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg 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 in principle arises in Luxembourg in respect of any payments by the Company to its Shareholders to the extent such payments are linked to their subscription to the Shares and do therefore not constitute the consideration received for any taxable services supplied.

Taxation of the Shareholders

<u>Income tax</u>

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

A Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Company.

Luxembourg resident individuals

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Company. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are taxed 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 realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her 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 companies

A Luxembourg resident company (société de capitaux) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

Luxembourg residents benefiting from a special tax regime

Shareholders which are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the Law of 17 December 2010, (ii) specialized investment funds subject to the amended Luxembourg law of 13 February 2007 on specialized investment funds and (iii) family wealth management companies governed by the amended Luxembourg law of 11 May 2007, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

Luxembourg non-resident Shareholders

A non-resident Shareholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident company which has 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 realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, who has 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.

<u>Net wealth tax</u>

A Luxembourg resident Shareholder, or a non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the Law of 17 December 2010, (iii) a securitization company governed by the Luxembourg law of 22 March 2004 on securitization, (iv) a company governed by the amended Luxembourg law of 15 June 2004 on venture capital vehicles, (v) a professional pension institution governed by the amended law dated 13 July 2005, (vi) a specialized investment fund governed by the amended Luxembourg law of 13 February 2007 on specialized investment funds, or (vii) a family wealth management company governed by the amended Luxembourg law of 11 May 2007. However, (i) a securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles and (iii) a professional pension institution governed by the amended law dated 13 July 2005 remain subject to minimum net wealth tax.

A minimum net wealth tax ("MNWT") is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross assets and EUR 350,000, the MNWT is set at EUR 3,210. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the EUR 3,210 MNWT, the MNWT ranges from EUR 535 to EUR 32,100, depending on the company's total gross assets.

Other taxes

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notary deed or otherwise registered in Luxembourg.The tax consequences will vary for each investor in accordance with the laws and practices currently in force in a Shareholder's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances.

Investors should therefore ensure they are fully informed in this respect and should, if necessary, consult their financial advisers.

Certain U.S. Regulatory and Tax Matters – Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "FATCA") generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("Withholdable Payments") and (ii) a portion of certain non-US source payments from non-US entities that have not entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("Passthru Payments"). As a general matter, the new rules are designed to require US Persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the new rules will subject all Withholdable Payments and Passthru Payments received by the Company to 30% withholding tax (including the share that is allocable to Non-US Investors) unless the Company enters into an agreement (a "FFI Agreement") with the IRS to provide information, representations and waivers of non-US law (including any information notice relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or "IGA") between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA. Provided the Company adheres to any applicable terms of the IGA, the Company will not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA.

Additionally, the Company will not have to enter into an FFI agreement with the IRS and instead will be required to obtain information regarding its Shareholders and to report such information to the Luxembourg government, which, in turn, will report such information to the IRS.

Any tax caused by a Shareholder's failure to comply with FATCA will be borne by such Shareholder.

Each prospective investor and each Shareholder should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

Each Shareholder and each transferee of a Shareholder's interest in any Subfund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "Designated Third Party"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Shareholder (or the Shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Company, amounts paid to the Company, or amounts allocable or distributable by the Company to such Shareholder or transferee. In the event that any Shareholder or transferee of a Shareholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the Shareholder's or transferee's interest in any Subfund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such Shareholder's or transferee's interest in any Subfund or interest in such Subfund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the Shareholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Shareholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Shareholder, if the Shareholder fails to do so.

Data Protection Information in the Context of FATCA Processing

In accordance with the FATCA Law, Luxembourg Financial Institutions ("**FI**") are required to report to the Luxembourg tax authority (i.e. Administration des Contributions Directes, the "**Luxembourg Tax Authority**") information regarding reportable persons such as defined in the FATCA Law.

The Company is considered a sponsored entity and as such as a non-reporting Luxembourg financial institution and shall be treated as deemed compliant foreign FI as foreseen by FATCA. The Company is the data controller and processes personal data of Shareholders and Controlling Persons as reportable persons for FATCA purposes.

The Company processes personal data concerning Shareholders or their Controlling Persons for the purpose of complying with the Company's legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information in relation to the Shareholders or their Controlling Persons for the purposes of the FATCA Law (the "**FATCA Personal Data**").

The FATCA Personal Data will be reported by the Management Company or the Central Administration, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.

In particular, Shareholders and Controlling 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 Luxembourg Tax Authority.

FATCA Personal Data may also be processed by the Company's data processors ("**Processors**") which, in the context of FATCA processing, may include the Management Company of the Company and the Central Administration of the Company.

The Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Shareholder or Controlling Person providing the Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

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

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the FATCA law imposed on the Company (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholders.

Shareholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA Law on their investment.

FATCA Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

The Management Company or the Designated Third Party may enter into agreements on behalf of the Company with any applicable taxing authority (including any agreement entered into pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement) to the extent it determines such an agreement is in the best interest of the Company or any Shareholder.

Automatic Exchange of Information

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 between financial authorities. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS-Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Data protection information in the context of CRS processing

In accordance with the CRS-Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS-Law.

As Luxembourg Reporting FI, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS-Law.

In this context, the Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person that is a Reportable Person (the "CRS Personal Data").

CRS Personal Data regarding the Shareholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Company processes the CRS Personal Data regarding the Shareholders or the Controlling Persons only for the purpose of complying with the Company's legal obligations under the CRS Law.

In particular, Shareholders and Controlling 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 Luxembourg Tax Authority.

CRS Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of CRS processing, may include the Management Company of the Company and the Central Administration of the Company.

The Company's ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder or Controlling Person providing the Company with the CRS Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Company 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 Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS-Law, the value of the Shares may suffer material losses.

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the CRS-Law imposed on the Company (inter alia: a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

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

CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

ii. Expenses

Apart from the above-mentioned "*taxe d'abonnement*", the Company shall bear the costs specified below, unless otherwise specified in Chapter 22, "Subfunds":

a) All taxes which may be payable on the assets, income and expenses chargeable to the Company;

b) Standard brokerage and bank charges incurred by the Company through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);

c) A monthly central administration fee for the Central Administration, calculated on the average Net Asset Value of the relevant Class during that month and payable at the beginning of the next following month. The central administration fee may be charged at different rates for individual Subfunds and Classes within a Subfund or may even be waived. Further details of the central administration fee may be found in Chapter 22, "Subfunds";

d) A quarterly FX hedging fee of up to 0.08% payable to the FX Hedging Agent at the end of every quarter, charged to the Subfunds, and calculated on a pro rata temporis basis on the basis of the total average net foreign currency assets of the Subfunds of the Company (including hedged Share Classes),Such combined total average net foreign currency assets may also be aggregated with the total average net foreign currency assets of other funds managed by the Investment Manager. The FX hedging fee is subject to a global minimum fee of USD 40'000 p.a. applied to all Subfunds and funds managed by the Investment Manager and covered by the relevant agreement with the FX Hedging Agent. Margins / spreads charged by the FX counterparties are not covered by the FX hedging fee.

e) In addition to the monthly central administration fee, the Central Administration is entitled to an annual fee to be paid out of the net assets of the relevant Subfund for its services as registrar and transfer agent as further disclosed in Chapter 22, “Subfunds”;

f) A monthly management fee for the Management Company, calculated on the average Net Asset Value of the relevant Class during that month and payable at the beginning of the next following month. The Investment Manager and the Distributors will be paid out of this management fee. The management fee may be charged at different rates for individual Subfunds and Classes within a Subfund or may even be waived. Further details of the management fee may be found in Chapter 22, “Subfunds”;

g) In addition to the management fee, the management company will receive a fee for its services as domiciliary agent of the Company;

h) Possible, additional performance-related fees for the relevant Subfund, which are set out in Chapter 22, “Subfunds”;

i) Fees payable to the Depositary, which are based on the net assets of the respective Subfund and/or the value of transferable securities and other assets held or determined as a fixed sum; the fees payable to the Depositary may not exceed the pre-determined percentage amount although in certain cases the transaction fees and the fees of the Depositary’s correspondents may be charged additionally. Further details concerning the fees payable to the Depositary can be found in Chapter 22, “Subfunds”;

j) Fees payable to the paying agents (in particular, a coupon payment commission), transfer agents and the authorized representatives in the countries of registration;

k) All other charges incurred for sales activities and other services rendered to the Company but not mentioned in the present section; for certain Classes, these fees may be borne in full or in part by the Investment Manager;

l) Fees incurred for collateral management in relation to derivative transactions;

m) Expenses, including those for legal advice, which may be incurred by the Company or the Depositary as a result of measures taken on behalf of the Shareholders;

n) The cost of preparing, depositing and publishing the Articles of Incorporation and other documents in respect of the Company, including notifications for registration, Key Information Documents, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers’ associations) which are required in connection with the Company or with offering the Shares; the cost of printing and distributing annual and semi-annual reports for the Shareholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities and calculating the Net Asset Value, the cost of notifications to Shareholders including the publication of prices for the Shareholders, the fees and costs of the Independent Auditors and the Company’s legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Shares, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Shares. The cost of advertising may also be charged.

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Company’s assets. Other non-recurring fees, such as the costs for establishing new Subfunds or Classes, may be written off over a period of up to five years.

The costs attributable to the individual Subfunds are allocated directly to them; otherwise the costs shall be divided among the individual Subfunds in proportion to the Net Asset Value of each Subfund.

9. Accounting Year

The financial year of the Company will begin on 1st January of each year and end on 31st December of the same year.

10. Appropriation of Net Income and Capital Gains

Accumulating Shares

At present, no distribution is envisaged for accumulating Classes of the Subfunds (see Chapter 22, “Subfunds”) and the income generated shall be used to increase the Net Asset Value of the Shares after deduction of general costs. However, within the limits of statutory provisions the Company may distribute from time to time, in whole or in part, ordinary net income and/or realized capital gains as well as all non-recurring income, after deduction of realized capital losses.

Distribution Shares

The Annual General Meeting of Shareholders of the Subfunds shall, on proposal of the Board of Directors, decide if and to what extent distributions shall be made from the net investment income attributable to each distributing Class of each Subfund (see Chapter 22, “Subfunds”). In addition, gains made on the sale of assets belonging to the Subfund may be distributed to Shareholders. Further distributions may be made from the Subfund’s assets in order to achieve an appropriate distribution ratio.

Distributions may on no account cause the Company’s capital to fall below the minimum amount prescribed by law.

Distributions shall generally be effected on an annual basis or at such other intervals as the Board of Directors may decide.

General Information

Payment of income distributions shall be made in the manner described in Chapter 4, “Investment in Cape Capital SICAV-UCITS”, iii. “Redemption of Shares”.

Claims for distributions which are not enforced within five years shall lapse and the assets involved shall revert to the relevant Classes.

11. Lifetime, Liquidation and Merger

The Company and the Subfunds have been established for an unlimited period, unless otherwise specified in Chapter 22, “Subfunds”. However, an extraordinary General Meeting of Shareholders may dissolve the Company. To be valid, such a resolution shall require the minimum quorum prescribed by law. If the capital of the Company falls below two thirds of the minimum amount, the Board of Directors must submit the question of the Company’s dissolution to a General Meeting of Shareholders for which no quorum is prescribed and which may pass a resolution by a simple majority of the Shares represented. If the capital of the Company falls below one quarter of the minimum amount, the Board of Directors must submit the question of the Company’s dissolution to a General Meeting of Shareholders for which no quorum shall be prescribed; Shareholders holding one quarter of the Shares at the General Meeting may pass a resolution to dissolve the Company. The minimum capital required under Luxembourg legislation currently stands at EUR 1,250,000. If the Company is liquidated, the liquidation shall be carried out in accordance with Luxembourg law and the liquidator(s) named by the General Meeting of Shareholders shall dispose of the Company’s assets in the best interests of the Shareholders and the net liquidation proceeds of the Subfunds shall be distributed pro rata to the Shareholders of these Subfunds.

If necessary in the interests of Shareholders, a Subfund may be dissolved or the Shares of a Subfund may be subject to compulsory redemption.

A Subfund may be liquidated and Shares of the Subfund concerned may be subject to compulsory redemption based on:

– a resolution by the Board of Directors, if necessary in the interests of the Shareholders; or

– a resolution of the General Meeting of Shareholders of the Subfund in question.

Any resolution passed by the Board of Directors to dissolve a Subfund shall be published in accordance with Chapter 13, “Information for Shareholders”. The Net Asset Value of the Shares of the relevant Subfund will be paid out on the date of the mandatory redemption of the Shares. All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by Shareholders upon the compulsory redemption will be deposited in escrow at the “Caisse de

Consignation" in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

In accordance with the Law of 17 December 2010, any Subfund may, either as a merging subfund or as a receiving subfund, be subject to mergers with another Subfund of the Company or another UCITS, on a domestic or cross-border basis. The Company itself may also, either as a merging UCITS or as a receiving UCITS be subject to cross-border and domestic mergers.

Furthermore, a Subfund may as a receiving subfund be subject to mergers with another UCI or subfund thereof, on a domestic or cross-border basis.

In all cases, the Board of Directors will be competent to decide on the merger. Insofar as a merger requires the approval of the Shareholders pursuant to the provisions of the Law of 17 December 2010, an extraordinary General Meeting deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a merger. No quorum requirement will be applicable. Only the approval of the Shareholders of the Subfund concerned by the merger will be required.

Mergers shall be announced at least thirty days in advance in order to enable Shareholders to request the redemption or conversion of their Shares free of charge.

12. General Meetings

The Annual General Meeting of Shareholders is held in Luxembourg at 11.00 a.m. (Central European Time) on the third Thursday in May of each year. If this date is not a Banking Day, the Annual General Meeting will take place on the next Banking Day.

Notices relating to the General Meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and published at least fifteen (15) days before the meeting, on the *Recueil électronique des sociétés et associations*, and in a Luxembourg newspaper. Notices by mail shall be sent at least eight (8) days before the meeting to the registered shareholders by registered mail (*lettre recommandée*). Alternatively, the convening notices may be, if the addressees have individually agreed to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. The notification of the owners of registered shares shall not have to be evidenced in the meeting, and/or in Chapter 22, "Subfunds". Meetings of the Shareholders of a particular Subfund may only pass resolutions relating to that Subfund.

13. Information for Shareholders

Information about the launch of new Subfunds may be obtained from the Management Company and the Distributors.

The audited annual reports shall be made available to Shareholders free of charge at the registered office of the Management Company, at the paying agents, information agents and Distributors, within four months of the close of each accounting year. Unaudited semi-annual reports shall be made available in the same way within two months after the end of the accounting period to which they refer.

Other information regarding the Company, as well as the issue and redemption prices of the Shares, may be obtained on any Banking Day at the registered office of the Management Company.

All notices to Shareholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall, if required, be published online at https://www.credit-suisse.com/microsites/multiconcept/en.html, in the Recueil Electronique des Sociétés et Associations "RESA" in the "Luxemburger Wort" and in various newspapers in those countries in which the Shares of the Company are admitted for public distribution. The Company may also place announcements in other newspapers and periodicals of its choice.

Investors may obtain the Prospectus, the Key Information Document, the latest annual and semi-annual reports and copies of the Articles of Incorporation free of charge from the registered offices of the Company. The relevant contractual agreements, as well as the Management Company's articles of incorporation are available for inspection at the registered offices of the Company during normal business hours.

14. Management Company

The Company has appointed MultiConcept Fund Management S.A. as the Management Company. In this capacity, the Management Company acts as asset manager, administrator, Distributor of the Company's shares and performs Risk Management for each Subfund. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management are performed by the Investment Managers named in Chapter 22, "Subfunds", and administrative tasks are performed by Credit Suisse Fund Services (Luxembourg) S.A..

The Distributors named in Chapter 21, "Distribution of Shares", are responsible for the distribution of the Company's shares.

The Management Company was incorporated in Luxembourg on 26 January 2004 as a joint-stock company for an indefinite period and is subject to the provisions of Chapter 15 of the Law of 17 December 2010. It has its registered office in Luxembourg, at 5, rue Jean Monnet.

The articles of incorporation of the Management Company were published in the "Mémorial, Recueil des Sociétés et Associations" on 14 February 2004 and have since that time been amended several times. The latest amendments were published on 12 March 2014. The articles of incorporation of the Management Company are filed in their consolidated, legally binding form for public reference in the Luxembourg Trade and Companies Register under no. B 98 834.

The equity capital of the Management Company amounts to three million three hundred thirty-six thousand one hundred and twenty-five (3,336,125) Swiss francs.

The board of directors of the Management Company shall have plenary powers on behalf of the Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management Company's objective, particularly in relation to the management of the Company's assets, administration and distribution of Shares.

The board of directors of the Management Company is currently composed of the members listed in Chapter 20, "Main Parties".

The Management Company has appointed an independent auditor. At present, this function is performed by KPMG Luxemburg S.C., Luxembourg.

In addition to the Company, the Management Company also manages other undertakings for collective investment.

15. Investment Manager and Sub-Investment Manager

The Company's Board of Directors is responsible for investing the Subfunds' assets. The Board of Directors has appointed the Management Company to implement the Subfunds' investment policy on a day-to-day basis.

In order to implement the policy of each Subfund, the Management Company may delegate, under its permanent supervision and responsibility, the management of the assets of the Subfunds to one or more Investment Managers.

The Investment Manager may appoint in accordance with the investment management agreement entered into between the Investment Manager and the Management Company one or more Sub-Investment Manager(s) for each Subfund to assist it in the management of the individual portfolios. The Investment Manager and Sub-Investment Manager/s for the respective Subfunds are indicated in Chapter 22, "Subfunds". The Management Company may at any time appoint an Investment Manager other than the one/s named in Chapter 22, "Subfunds", or may terminate the relation with any of the Investment Manager(s). The Shareholders of the Subfund concerned will be informed and the Prospectus will be modified accordingly.

16. Depositary

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

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

The Depositary has been appointed for the safe-keeping of the assets of the Company in the form of custody of financial instruments, the record keeping and verification of ownership of other assets of the

Company as well as for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary Agreement.

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

In compliance with the provisions of the Depositary Agreement and the Law of 17 December 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody and that are duly entrusted to the Depositary for custody purposes to one or more sub-custodian(s), and/or in relation to other assets of the Company all or part of its duties regarding the record keeping and verification of ownership to other delegates, as they are appointed by the Depositary from time to time. The Depositary shall exercise all due skill, care and diligence as required by the Law of 17 December 2010 in the selection and the appointment of any sub-custodian and/or other delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian and/or other delegate to which it has delegated parts of its tasks as well as of the arrangements of the sub-custodian and/or other delegate in respect of the matters delegated to it. In particular, any delegation of custody tasks may only occur when the sub-custodian, at all times during the performance of the tasks delegated to it, segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the Law of 17 December 2010.

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

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

As per the date of this Prospectus, the Depositary does not use any sub-custodian which is part of the UBS Group AG and thereby avoids conflicts of interests which might potentially result thereof.

An up-to-date list of these sub-custodians along with their delegate(s) for the purpose of holding in custody financial instruments of the Company or Subfunds can be found on the webpage https://www.credit-suisse.com/media/pb/docs/lu/privatebanking/services/list-of-credit-suisse-lux-sub-custodians.pdf

and will be made available to Shareholders and investors upon request.

The Depositary's liability shall not be affected by any such delegation to a sub-custodian unless otherwise stipulated in the Law of 17 December 2010 and/or the Depositary Agreement.

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

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

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

17. Central Administration

As mentioned in Chapter 14, "Management Company", the Management Company has delegated the tasks related to the central administration of the Company to Credit Suisse Fund Services (Luxembourg) S.A., a service company registered in Luxembourg, which belongs to UBS Group AG, and has authorized the latter in turn to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

As the Central Administration, Credit Suisse Fund Services (Luxembourg) S.A., will assume all administrative duties that arise in connection with the administration of the Company, including the issue and redemption of Shares, valuation of assets, calculation of the Net Asset Value, accounting and maintenance of the register of Shareholders.

18. Regulatory Disclosure

Conflicts of Interest

The Management Company, the Central Administration, the Depositary and certain Distributors are part of UBS Group AG (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests. The Company will not be entitled to compensation related to such business activities.

The Management Company is not prohibited to enter into any transactions with the Affiliated Person, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the management fees the Management Company earns for managing the Company, it may also have an arrangement with the issuer, dealer and/or Distributor of any products entitling it to a Share in the revenue from such products that it purchases on behalf of the Company.

Moreover, the Management Company is not prohibited to purchase or to provide advice to purchase any products on behalf of the Company where the issuer, dealer and/or Distributor of such products is part of the Affiliated Person provided that such transactions are carried out in the best interest of the Company as if effected on normal commercial terms negotiated at arm's length. Entities of the Affiliated Person act as counterparty and in respect of financial derivative contracts entered into by the Company.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Company. The Affiliated Person could hold a relatively large proportion of Shares in the Company.

Employees and Directors of the Affiliated Person may hold Shares in the Company. Employees of the Affiliated Person are bound by the terms of the respective policy on personal transactions and conflicts of interest applicable to them.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Company or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Such procedures include, but are not limited to the following:

- Procedure to prevent or control the exchange of information between entities of the Affiliated Person;
- Procedure to ensure that any voting rights attached to the Company's assets are exercised in the sole interests of the Company and its investors;
- Procedures to ensure that any investment activities on behalf of the Company are executed in accordance with the highest ethical standards and in the interests of the Company and its investors;
- Procedure on management of conflicts of interest.

Notwithstanding its due care and best effort, there is a risk that the organisational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. In such case these non-neutralised conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Company). Respective information will also be available free of charge at the registered office of the Management Company.

Key Information Document

Starting as of 1 January 2023 and in accordance with Regulation (EU) 1286/2014, as amended, and the Commission Delegated Regulation (EU) 2017/653, as amended (collectively referred to as the "PRIIPs Regulation"), a Key Information Document ("KID") will be published for each Share Class where such Share Class is available to retail investors in the European Economic Area ("EEA").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU ("MiFID II") (referred to herein as a "Retail Investor").

A KID will be handed over to Retail Investors and professional investors, where Shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Company. In accordance with the PRIIPs Regulation, the KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at https://www.credit-suisse.com/microsites/multiconcept/en.html in which case it may also be obtained, upon request, in paper form from the registered offices of the Company free of charge.

Complaints Handling

Investors are entitled to file complaints free of charge with the Distributor or the Management Company in an official language of their home country.

The complaints handling procedure is available free of charge at the registered office of the Management Company.

Exercise of Voting Rights

The Management Company has in place a dedicated policy as regards the exercise of voting rights attached to the instruments held in the Subfunds in order to act in the best interest of the Subfunds and the Shareholders and to avoid any possible conflicts of interest in relation to other funds, Subfunds and investors. The Company has authorized the Management Company to exercise any voting rights attached to instruments held in the Subfunds on behalf of the Subfunds.

The Management Company may also sub-delegate its right to exercise such voting rights on behalf of the Subfunds to the Investment Manager of the respective Subfund if the Investment Manager has in place a voting rights policy in order to act in the interest of the Subfund and the Shareholders and to avoid any possible conflicts of interest in relation to other funds, Subfunds and investors and furthermore exercises voting rights in the interest of the respective Subfund and the Shareholders.

Details of the actions taken will be made available to Shareholders free of charge on their request.

Best Execution

The Management Company acts in the best interests of the Company when executing investment decisions. For that purpose, it takes all reasonable steps to obtain the best possible result for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution). Where the Investment Managers are permitted to execute transactions, they will be committed contractually to apply equivalent best execution principles, if they are not already subject to equivalent best execution laws and regulations.

The best execution policy is available for investors free of charge at the registered office of the Management Company.

Investor Rights

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

Remuneration Policy

The Management Company has implemented the group standard remuneration policy and published a local appendix which is consistent with, and promotes, sound and effective risk management and that neither encourages risk taking which is inconsistent with the risk profiles of the Subfunds and the Articles of Incorporation nor impairs compliance with the Management Company's duty to act in the best interest of the Company and its Shareholders.

All employees of the UBS Group AG are subject to the Group Compensation Policy, the objectives of which include:

(a) supporting a performance culture that is based on merit and differentiates and rewards excellent performance, both in the short and long term, and recognizes Credit Suisse's company values;

(b) balancing the mix of fixed and variable compensation to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviours and actions; and

(c) consistency with, and promotion of, effective risk management practices and Credit Suisse's compliance and control culture.

Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including a description of the global UBS Group AG compensation committee are available on https://www.credit-suisse.com/microsites/multiconcept/en.html and will be made available to investors free of charge upon request.

19. Data Protection

The Company and the Management Company are committed to protecting the personal data of the investors (including prospective investors) and of the other individuals whose personal information comes into their possession in the context of the investor's investments in the Company.

The Company and the Management Company have taken all necessary steps, to ensure compliance with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC and with any implementing legislation applicable to them (together, the "Data Protection Law") in respect of personal data processed by them in connection with investments made into the Company. This includes (non-exclusively) actions required in relation to: information about processing of the investor's personal data and, as the case may be, consent mechanisms, procedures for responding to requests to exercise individual rights, contractual arrangements with suppliers and other third parties, arrangements for overseas data transfers and record keeping and reporting policies and procedures. Personal data shall have the meaning given in the Data Protection Law and includes any information relating to an identifiable individual, such as the investor's name, address, invested amount, the investor's individual representatives ' names as well as the name of the ultimate beneficial owner, where applicable, and such investor's bank account details.

When subscribing to the Shares, each investor is informed of the processing of his/her personal data (or, when the investor is a legal person, of the processing of such investor's individual representatives and/or ultimate beneficial owners' personal data) via a data protection notice which will be made available in the application form issued by the Company to the investors. This notice will inform the investors about the processing activities undertaken by the Company, the Management Company and their delegates in more details.

20. Main Parties

Company

Cape Capital SICAV-UCITS
5, rue Jean Monnet, L-2180 Luxembourg

Board of Directors of the Company

Véronique Trausch
Luxembourg resident and partner at FinDeal Advisors S.A.

Johan Holgersson
Member of the executive management at Cape Capital AG, Switzerland

Antonio José Silva Mauricio Dos Santos
Director and CEO Credit Suisse Fund Services (Luxembourg) S.A Luxembourg

Independent Auditor of the Company

PricewaterhouseCoopers S.C.,
2, rue Gerhard Mercator,
B.P. 1443, L-1014 Luxembourg

Management Company & Domiciliary Agent

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

Investment Manager

Cape Capital AG,
Utoquai 55, 8008 Zurich,
Switzerland

Board of Directors of the Management Company

Annemarie Nicole Arens
Independent Director, Luxembourg

Marcus Ulm
CEO MultiConcept Fund Management S.A., Luxembourg

Hans Peter Bär
Head of Fund Management Companies, Credit Suisse (Schweiz) AG, Switzerland

Richard Browne
Head of Private Assets Fund Administration, Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg

Arnold Louis Spruit
Independent Director, Luxembourg

Independent Auditor of the Management Company

KPMG Luxembourg S.C., 39, avenue John F. Kennedy, L-1855 Luxembourg

Depositary

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

Paying Agent in Luxembourg

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

The Company may appoint further paying agents to sell the Shares in specific legal jurisdictions.

Central Administration

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

21. Distribution of Shares

In accordance with current laws, the Company intends to appoint Distributors to offer and sell the Shares of each Subfund in all countries in which the offer and sale of the Shares is permitted. In this context, the Distributors shall be entitled to retain for themselves the issuing and/or redemption fees for the Shares sold by them or to waive such fees in full or in part. Distribution agreements with Distributors are concluded for an indefinite period and may be terminated by either contracting party in writing subject to a three-month period of notice.

22. Subfunds

Name of the Subfund	Cape Capital SICAV-UCITS – Cape Fixed Income Fund
Investment Objective and Policy	The objective of the Subfund is to achieve capital appreciation within a short to medium term horizon through, within the limits set out in Chapter 5 ("Investment Restrictions") for compliance with Chapter 5 of the Law of 17 December 2010, investment in a diversified portfolio of fixed income securities, such as but not limited to bonds, convertible bonds, certificates, hybrid bonds of global reference issuers, in diverse currencies, with investment-grade and high-yield ratings to achieve an optimal risk/reward profile. The Subfund promotes environmental or social characteristics and qualifies under Article 8 of the SFDR. Please refer to the section "ESG Disclosure" below and Annex A for further details. The Subfund envisages a capital appreciation based on a "EURIBOR Plus"-type of strategy, being a performance above EURIBOR in order to outperform the running inflation rate, but not linked to a specific benchmark. Diversification reduces the impact of the idiosyncratic risks associated with individual securities within the portfolio over the long term. Furthermore, the Subfund can use suitable financial derivative instruments for the purpose of (i) hedging, (ii) efficient portfolio management and/or (iii) implementing its investment strategy to reduce market price fluctuations and for investment purposes, within the limits set out in Chapter 5 ("Investment Restrictions"). In order to maximise capital appreciation and income distribution, the Subfund may not always be geographically diversified. The Subfund may be invested in one or more countries or continents, which in the opinion of the Investment Manager offer the best investment opportunities at any given time. Interest rate risks, e.g. those associated with an investment in bonds with a fixed residual maturity are to be largely reduced by the Investment Manager using Interest Rate Swap Contracts, so that the duration risk is significantly below the one of traditional bond benchmarks. Currency risks associated with investments denominated in currencies other than Euro are predominantly hedged via FX Forward Contracts. By way of derogation, maturity risks arising from the varying maturities might, in some specific cases, be allowed by the Investment Manager. The Subfund offers daily liquidity terms. Within the limits set out in Chapter 5 ("Investment Restrictions") the Subfund may acquire, inter alia, the following instruments in order to implement the investment strategy: – Bonds covering all issuer types and all markets, including emerging markets (with at least B- rating from Standard & Poor's or a B3 rating from Moody's or a comparable rating awarded by a recognised rating agency, or which the Investment Manager has assessed and deemed to be sufficiently secure): • Fixed or floating rate bonds; • Convertible bonds of various issuers; • Covered bonds; • Securitized debt; • Hybrid bonds, i.e. equity-like subordinated corporate bonds with very long maturities or with no limitation on maturity that may be terminated by the issuer as of a date defined in advance (bonds with non-cumulative coupon distribution); • Up to 50% of the Net Asset Value of the Subfund in Contingent convertible instruments (CoCos); – Credit default swaps (index, single name, tranches, baskets, options); – Bond options – Interest rate derivatives (IRS; interest rate & bond futures, swaptions on interest rates); – Commercial papers (short dated bonds); – Money market instruments & money market funds; and By way of derogation to item 5) a) of Chapter 5 ("Investment Restrictions") but within the limits of item 5) b) and c) of the same Chapter, the Subfund may invest up to 20% of its Net Asset Value in units of UCITS and/or other UCIs having a similar fixed income investment strategy (this may include investments in shares of other Subfunds of the Company under the conditions laid down in Chapter 3 ("Investment Policy") and exchange-traded funds ("ETFs")). The Subfund may also enter into FX transactions for the purpose of hedging against decline in value of the currencies in which the Subfund's portfolio holdings are denominated against the base currency of the Subfund. The foreign exchange transactions in relation to such portfolio hedging will be executed by the FX Hedging Agent, which will notably, in its capacity as FX Hedging Agent for the purpose of FX hedging activities, determine the appropriate hedging positions and placement of FX trades. In principle, the Subfund may also hold on a temporarily basis ancillary liquid assets up to 20 % of its Net Asset Value in the conditions set out in Chapter 3 "Investment Policy".

<table>
<tr><td></td><td>Up to 10 % of the Net Asset Value of the Subfund may be invested in equity securities as a consequence of conversions of CoCos and/or convertible bonds held by the Subfund into equity.

The Subfund will not be engaged in uncovered sales of transferable securities.

The Subfund will not make use of securities lending transactions, repurchase or reverse repurchase transactions.

The Subfund may also make use of total return swaps on Markit iBoxx Indices (but not exclusively if the Investment Manager deems it appropriate in order to manage the strategy in a given market environment) and other indices which reference the investment universe of the Subfund. The Subfund will enter into such transactions with financial institutions being part of the International Swaps and Derivatives Association (ISDA), subject to prudential supervision and specialized in this type of transaction. The principal amount of the Subfund’s assets that can be subject to total return swaps may represent up to a maximum of 20% of the Net Asset Value of the Subfund calculated by way of the sum of the notionals of the total return swaps. It is generally not expected that the amount of such total return swaps will exceed 15% of the Net Asset Value of the Subfund calculated by way of the sum of the notionals of the total return swaps. In certain circumstances this proportion may be higher.

For the avoidance of doubt, the Subfund will not use total return swaps for purposes other than for hedging purposes and for investment purposes.

In pursuing the investment objective, the Subfund is not limited to the abovementioned instruments (e.g. in order to react to financial market developments). For the avoidance of doubts, any instrument must be UCITS compliant.

To the extent and within the limits set out in Chapter 5 (“Investment Restrictions”), the Subfund can, in order to achieve the investment objective, make direct investments in the aforementioned instruments, or invest in one or more derivative instruments that reflect the aforementioned investment strategy or individual component instruments via their underlying.</td></tr>
<tr><td>Benchmark</td><td>This Subfund is actively managed and is not constrained by a benchmark as such. The Investment Manager may refer to EURIBOR as further described in section “Investment Objective and Policy” above to reference the return objective. For the avoidance of doubt, the Subfund does not track EURIBOR.</td></tr>
<tr><td>Global exposure</td><td>The global exposure of the Subfund is calculated and monitored under the absolute VaR approach. The global exposure of the Subfund may not exceed 20% of its Net Asset Value on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.</td></tr>
<tr><td>Leverage</td><td>The level of leverage of the Subfund, based on the “sum of notionals” approach, is generally not expected to exceed 650% of the Net Asset Value. In certain circumstances (e.g. in case of rollover of swaptions before their expiry date for a short period) the leverage of the Subfund may exceed the above level, but will under no circumstances exceed a maximum level of 950%.</td></tr>
<tr><td>Period of Establishment/Life to Maturity</td><td>Unlimited</td></tr>
<tr><td>Reference Currency</td><td>EUR</td></tr>
<tr><td>Classes and Eligible Investors</td><td>
<table>
<tr><th>Share Class</th><th>Initial and Holding Minimum Investment</th><th>Eligible Investors</th></tr>
<tr><td>Institutional A EUR Accumulating
Institutional A USD Accumulating
Institutional A CHF Accumulating
Institutional A GBP Accumulating</td><td>EUR 50 000 000
USD 50 000 000
CHF 50 000 000
GBP 50 000 000</td><td>Family offices, asset managers and other institutional Investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 50 000 000.</td></tr>
<tr><td>Institutional A EUR Distributing
Institutional A USD Distributing
Institutional A CHF Distributing
Institutional A GBP Distributing</td><td>EUR 50 000 000
USD 50 000 000
CHF 50 000 000
GBP 50 000 000</td><td>Family offices, asset managers and other institutional Investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 50 000 000.</td></tr>
<tr><td>Institutional B EUR Accumulating
Institutional B USD Accumulating
Institutional B CHF Accumulating</td><td>EUR 5 000
USD 5 000
CHF 5 000</td><td>Share class for institutional investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 5 000.</td></tr>
</table>
</td></tr>
</table>

	Institutional B GBP Accumulating	GBP 5 000	
	Institutional B EUR Distributing Institutional B USD Distributing Institutional B CHF Distributing Institutional B GBP Distributing	EUR 5 000 USD 5 000 CHF 5 000 GBP 5 000	Share class for institutional investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 5 000.
	Limited A EUR Accumulating Limited A USD Accumulating Limited A CHF Accumulating Limited A GBP Accumulating	None	Share class for selected Wealth Management clients of Cape Capital AG
	Limited A EUR Distributing Limited A USD Distributing Limited A CHF Distributing Limited A GBP Distributing	None	Share class for selected Wealth Management clients of Cape Capital AG
	Internal A EUR Accumulating Internal A USD Accumulating Internal A CHF Accumulating Internal A GBP Accumulating	None	Wealth management clients and business partners of Cape Capital AG
	Internal A EUR Distributing Internal A USD Distributing Internal A CHF Distributing Internal A GBP Distributing	None	Wealth management clients and business partners of Cape Capital AG
	Retail A EUR Accumulating Retail A USD Accumulating Retail A CHF Accumulating Retail A GBP Accumulating	None	Retail investors
	Retail A EUR Distributing Retail A USD Distributing Retail A CHF Distributing Retail A GBP Distributing	None	Retail investors

(Non-EUR Classes shall be hedged against Reference Currency by the FX Hedging Agent. Thus, the Subfund may enter into currency hedging transactions for these Alternate Currency Classes in

	order to minimize the effect of price fluctuations in this alternate currency. The currency hedging transactions will be executed by the FX Hedging Agent.).
Specific risk factors regarding leverage	The leverage calculation methodology based on the sum of the gross notional values of all financial derivative instruments does not take into account any netting or hedging arrangements. Attention should be drawn to the fact that one derivative instrument may partially or perfectly offset the market risk of another derivative instrument. Derivative instruments may also reduce the risks associated with holdings in non-derivative products e.g. on shares and bonds. Disclosure of the gross notional value of derivatives is a requirement under UCITS laws and regulations, and as this measure does not allow for the netting just described, the figure resulting from this calculation method will be higher than if the netting just described was reflected in the figure, and this measure does not necessarily represent the market risk incurred through the use of derivatives. The investment strategy adopts the principle of risk spreading through diversification by investing across a wide range of instruments in the credit and rates markets. The true economic risk within the Company can, depending on specific positioning, be substantially less risky than what might be inferred from potentially high gross notional leverage ratios, which do not take any hedging or offsetting economic effects into consideration. For example, a bond position which is currency-, interest rate- and credit-hedged will have little economic risk but might show as a position with a relatively high leverage, despite from an economic point of view the economic residual risk left in such a position may be significantly lower than as expressed by the leverage ratio. Furthermore, the gross notional value of derivatives, as required under UCITS laws and regulations, does not take into account the diversification benefits inherent in the construction of offsetting positions. Despite the high leverage of the Subfund on a sum of notionals/gross basis, the diversification and risk adjustment of the investment strategy are designed to ensure that no single component will unduly influence its performance, it being understood, however, that there may be occasions where allocations are more highly concentrated amongst the positions, which may result in a single position exhibiting a greater influence. Shareholders should note that leverage resulting from the use of financial derivative instruments may result in magnified losses.
Specific risk factors regarding hybrid bonds	As hybrid bonds are typically subject to a subordinated treatment in relation to other commitments of the issuer, hybrid bondholders are only treated preferentially over shareholders in case of insolvency of the issuer; i.e. all other creditors are treated preferentially. Furthermore, under certain conditions, interest payments may be suspended, e.g. in cases where no dividends are paid. However, accrued interest must be paid retrospectively once dividend payments are resumed or the hybrid bond is repaid.
Specific risk factors regarding CoCos	Please refer to section “Investments in CoCos” of Chapter 6 “Risk factors” of the general part of this Prospectus.
Specific risk factors regarding total return swaps	Please refer to section “Use of total return swaps” of Chapter 6 “Risk factors” of the general part of this Prospectus.
Specific risk factors regarding sustainability	The Subfund could be exposed to some Sustainability Risks, which may differ depending on the investment instruments. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.
Minimum subsequent Subscription Amount	None
Initial Issue Price	EUR 100
Launch Date	The Subfund was created as a special investment fund under the law of 13 February 2007 on special investment funds on 1 June 2015, and was converted into a UCITS on 27 July 2017.
Minimum Initial Subscription and Holding Requirement	As defined in **Classes and Eligible Investors**.
Sales Charge	None
Adjustment of the Net Asset Value (Single Swing Pricing/Maximum swing factor)	The Net Asset Value calculated in accordance with Chapter 7, “Net Asset Value” will be increased by up to a maximum of 0.25% per Share in the event of a net surplus of subscription applications exceeding 3.0% of the Net Asset Value on the respective Valuation Day. In the case of net redemptions exceeding more than 2.0% of the Net Asset Value on a Business Day, the ‘Net Asset Value’ will be decreased by 0.30% in order to achieve a fair sharing of transactions costs between redeeming and remaining investors. In case net redemptions exceed 5% of the Net Asset Value, the Company may, in the interest of Shareholders, decide to increase the maximum swing factor up to 2%.. In such case the Company would inform the investors in accordance with Chapter 13, “Information for Shareholders”.
Redemption Charge	None
Conversion Charge	None
Appropriation of Income	Accumulating (Accumulating Share Classes) or Distributing (Distributing Share Classes)
Business Day	Each day on which banks are normally open for business in Luxembourg, Switzerland and the Canton of Zurich.
Cut-Off Time for remittance of Subscription/Redemption/Conversion Applications	The Shares may be subscribed/redeemed/converted on each Business Day prior to the cut-off time (see below) (the “Subscription Date” or “Redemption Date” or “Conversion Date”, respectively).

	Subscription/Redemption/Conversion applications must be submitted to the Central Administration at least one (1) Business Day prior to the Valuation Day by 3.00p.m. (Central European time). Subscription/Redemption/Conversion applications received after 3.00 p.m. on a Business Day shall be deemed to have been received prior to 3 p.m. on the following Business Day.
Redemption/Conversion Limits	If on any Business Day, redemption/conversion requests relate to more than 10 % of the Net Asset Value of the Subfund, the Company may decide that part or all of such requests for redemption/conversion will be deferred proportionally for such period as the Company considers to be in the best interest of the Subfund, but normally not exceeding ten (10) Business Days after the Redemption Date or the Conversion Date in relation to which the relevant redemption/conversion request relates. All deferred redemption/conversion requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of Shareholders.
Valuation Day	Each Business Day.
Calculation Date	Each Business Day following a Valuation Day.
Payment Period	Subscription payment must be received within two (2) Business Days after the Calculation Date. Payment of the redemption price of the Shares shall be made within five (5) Business Days following the Calculation Date.
Taxe d'abonnement	0.05 % p.a. The rate is however 0,01% p.a. for individual Subfunds as well as for individual Classes, provided that the Shares of such Subfund or Class are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the conditions resulting from the Luxembourg regulator's administrative practice).
Valuation principles	See Chapter 7.
Expenses and taxes	See Chapter 8. For its investment management services described in Chapter 15, the Investment Manager receives an Investment Management Fee depending on the specific share class: - Institutional A: 0.30% p.a. - Institutional B: 0.50% p.a. - Limited A: 0.10% p.a. - Internal A: 0.30% p.a. - Retail A: 0.80% p.a. For its services described in Chapter 14, the Management Company shall receive a Management fee. The Investment Management Fee shall be paid out of that Management fee. The Management fee shall consist of the Investment Management Fee for the respective share classes plus a maximum of 0.05 % p.a. and a fixed ESG fee of up to EUR 15'000 p.a. for services rendered by the Management Company. The Management fee and Investment Management Fee shall be paid monthly in arrears during the month following the end of the relevant month. The Investment Management Fee and the Management fee shall be calculated monthly on the basis of the average Net Asset Value of the respective Class. The fee for the accounting services of the Central Administration paid out of the assets of the Subfund shall not exceed 0.04% p.a., calculated monthly on the basis of the average Net Asset Value of the respective Class. The fee payable to the Depositary Bank paid out of the assets of the Subfund shall in principle not exceed 0.07 % p.a. (including the fees for its brokerage services), calculated monthly on the basis of the average Net Asset Value of the respective Class. The FX Hedging Agent is entitled to receive a quarterly FX hedging fee as further specified in section 8 "*Expenses and Taxes*" of this Prospectus. Additional fees and expenses that may be charged are specified in section ii), "Expenses", of Chapter 8, "Expenses and Taxes".
ESG disclosure	The Subfund promotes ESG characteristics, according to the strategy outlined in Annex A, nonetheless it remains exposed to Sustainability Risks. In view to integrating Sustainability Risks in the investment decision-making process and in addition to the Sustainability Risks listed in Chapter 6, of the general part of the Prospectus, the Investment Manager will consider ESG risks in the investment process alongside other factors, and will keep monitoring these ESG risks throughout the life-cycle of the investment. The Management Company delegates the portfolio management function of the funds under management and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR. The Investment Manager is actively reviewing its current investment processes and is improving these on a continuous basis with latest knowledge from research and industry best-practices.

<table>
<tr><td>Name of the Subfund</td><td>Cape Capital SICAV-UCITS – Cape Equity Fund</td></tr>
<tr><td>Investment Objective and Policy</td><td>The objective of the Subfund is to create long term capital appreciation by investing in a global diversified portfolio of equity securities. To attain the investment objective, the Investment Manager selects global companies with modest debt, attractive valuation and prospects of future growth.

The Subfund promotes environmental or social characteristics and qualifies under Article 8 of the SFDR. Please refer to the section “ESG Disclosure” below and Annex B for further details.

The Subfund may invest in global companies but may not always be geographically diversified. The Subfund may be invested in one or more countries or continents, which in the opinion of the Investment Manager offer the best investment opportunities at any given time. However, the Subfund will at no time be predominantly invested in emerging markets. The Subfund may acquire, inter alia, the following instruments in order to implement the investment strategy:
– Global equity securities;
– Index based securities (indices in compliance with Article 44 of the Law of 2010 and Article 9 of the Grand Ducal Regulation dated 8 February 2008);
– ETFs listed on a stock exchange;
– Options;
– Traded equity index futures, FX futures, structured products and structured commodity products;
– Cash equivalents;
– Undertakings for collective investment (Equity Funds & Money Market Funds)
– FX forwards;
– Money Market Instruments.
The Subfund will not make use of total return swaps, securities lending transactions, repurchase or reverse repurchase transactions.
The Subfund may invest up to 20% of its assets in China A-Shares via the Stock Connect Scheme.
The Subfund may also enter into FX transactions for the purpose of hedging against decline in value of the currencies in which the Subfund’s portfolio holdings are denominated against the base currency of the Subfund. The foreign exchange transactions in relation to such portfolio hedging will be executed by the FX Hedging Agent, which will notably, in its capacity as FX Hedging Agent for the purpose of FX hedging activities, determine the appropriate hedging positions and placement of FX trades.
In principle, the Subfund may also hold on a temporarily basis ancillary liquid assets up to 10 % of its Net Asset Value in the conditions set out in Chapter 3 “Investment Policy”.
In pursuing the investment objective, the Subfund is not limited to the abovementioned instruments (e.g. in order to react to financial market developments).
However, more than 51% of the Subfund’s assets (Aktivvermögen) will be invested – on an ongoing basis – in equity participations pursuant to sec. 2 para. 8 GInvTA.
The term equity participation within the meaning of sec. 2 para. 8 GInvTA comprises of (i) both listed equities (either admitted for trading at a recognised stock exchange or listed on an organised market) and (ii) equities of companies that are not real estate companies and are (a) resident in an EU or EEA state subject to income taxation for companies in that state and not exempt from such taxation or (b) in case of non-EU/EEA companies subject to income taxation for companies of at least 15% and not exempt from such taxation and (iii) investment units in equity funds of 51% of the value of the investment unit and (iv) investment units in mixed funds of 25% of the value of the investment participation.
Accordingly, the Subfund qualifies for the partial exemption regime for so-called equity funds (“Aktienfonds”) pursuant to sec. 20 para. 1 GInvTA.
As a general rule, the Subfund will have 90%-100% market exposure under ordinary market conditions. The Subfund offers daily liquidity terms.</td></tr>
<tr><td>Benchmark</td><td>This Subfund is actively managed without reference to any benchmark.</td></tr>
<tr><td>Global exposure</td><td>The global exposure of the Subfund is calculated and monitored under the commitment approach. The global exposure of the Subfund may not exceed its Net Asset Value.</td></tr>
<tr><td>Period of Establishment/Life to Maturity</td><td>Unlimited</td></tr>
<tr><td>Reference Currency</td><td>EUR</td></tr>
<tr><td>Classes and Eligible Investors</td><td><table><tr><td>Share Class</td><td>Initial and Holding Minimum Investment</td><td>Eligible Investors</td></tr></table></td></tr>
</table>

	<table><tr><td>Institutional A EUR Institutional A USD Institutional A CHF Institutional A GBP</td><td>EUR 50 000 000 USD 50 000 000 CHF 50 000 000 GBP 50 000 000</td><td>Family offices, asset managers and other institutional Investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 50 000 000.</td></tr><tr><td>Institutional B EUR Institutional B USD Institutional B CHF Institutional B GBP</td><td>EUR 5 000 USD 5 000 CHF 5 000 GBP 5 000</td><td>Share class for institutional investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 5 000.</td></tr><tr><td>Limited A EUR Limited A USD Limited A CHF Limited A GBP</td><td>None</td><td>Share class for selected Wealth Management clients of Cape Capital AG</td></tr><tr><td>Internal A EUR Internal A USD Internal A CHF Internal A GBP</td><td>None</td><td>Wealth management clients and business partners of Cape Capital AG</td></tr><tr><td>Retail A EUR Retail A USD Retail A CHF Retail A GBP</td><td>None</td><td>Retail investors</td></tr></table> (Non-EUR Classes shall be hedged against Reference Currency by the FX Hedging Agent. Thus, the Subfund may enter into currency hedging transactions for these Alternate Currency Classes in order to minimize the effect of price fluctuations in this alternate currency. The currency hedging transactions will be executed by the FX Hedging Agent.)
Specific risk factors regarding sustainability	The Subfund could be exposed to some Sustainability Risks, which may differ depending on the investment instruments. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.
Specific risk factors regarding investments in China	Please refer to section “Risks associated with the Stock Connect Scheme” of Chapter 6 “Risk factors” of the general part of this Prospectus.
Launch Date	The Subfund was created as a special investment fund under the law of 13 February 2007 on special investment funds on 1 June 2015, and was converted into a UCITS on 27 July 2017.
Minimum Initial Subscription and Holding Requirement	As defined in **Classes and Eligible Investors**.
Initial Issue Price	EUR 100
Minimum subsequent Subscription Amount	None
Sales Charge	None
Redemption Charge	None
Conversion Charge	None
Appropriation of Income	Accumulating
Business Day	Each day on which banks are normally open for business in Luxembourg, Switzerland and the Canton of Zurich.
Cut-Off Time for remittance of Subscription/Redemption/Conversion Applications	The Shares may be subscribed/redeemed/converted on each Business Day prior to the cut-off time (see below) (the “Subscription Date” or “Redemption Date” or “Conversion Date”, respectively). Subscription/Redemption/Conversion applications must be submitted to the Central Administration at least one (1) Business Day prior to the Valuation Day by 3.00 p.m. (Central European time). Subscription/Redemption/Conversion applications received after 3.00 p.m. on a Business Day shall be deemed to have been received prior to 3 p.m. on the following Business Day.
Redemption/Conversion Limits	If on any Business Day, redemption/conversion requests relate to more than 10 % of the Net Asset Value of the Subfund, the Company may decide that part or all of such requests for redemption/conversion will be deferred proportionally for such period as the Company considers to be in the best interest of the Subfund, but normally not exceeding ten (10) Business Days after the Redemption Date or the Conversion Date in relation to which the relevant redemption/conversion request relates. All deferred redemption/conversion requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of Shareholders.
Valuation Day	Each Business Day.

Calculation Date	Each Business Day following a Valuation Day.
Payment Period	Subscription payment must be received within two (2) Business Days after the Calculation Date. Payment of the redemption price of the Shares shall be made within five (5) Business Days following the Calculation Date.
Taxe d'abonnement	0.05% p.a The rate is however 0,01% p.a. for individual Subfunds as well as for individual Classes, provided that the Shares of such Subfund or Class are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the conditions resulting from the Luxembourg regulator's administrative practice).
Valuation principles	See Chapter 7.
Expenses and taxes	See Chapter 8. For its investment management services described in Chapter 15, the Investment Manager receives an Investment Management Fee depending on the specific share class: - Institutional A: 0.50% p.a. - Institutional B: 1.00% p.a. - Limited A: 0.10% p.a. - Internal A: 0.50% p.a. - Retail A: 1.50% p.a. For its services described in Chapter 14, the Management Company shall receive a Management fee. The Investment Management Fee shall be paid out of that Management fee. The Management fee shall consist of the Investment Management Fee for the respective share classes plus a maximum of 0.04 % p.a. and a fixed ESG fee of up to EUR 15'000 p.a. for services rendered by the Management Company. The Management fee and Investment Management Fee shall be paid monthly in arrears during the month following the end of the relevant month. The Investment Management Fee and the Management fee shall be calculated monthly on the basis of the average Net Asset Value of the respective Class. The fee for the accounting services of the Central Administration paid out of the assets of the Subfund shall not exceed 0.04 % p.a., calculated monthly on the basis of the average Net Asset Value of the respective Class. The fee payable to the Depositary Bank paid out of the assets of the Subfund shall in principle not exceed 0.04 % p.a. calculated monthly on the basis of the average Net Asset Value of the respective Class. The FX Hedging Agent is entitled to receive a quarterly FX hedging fee as further specified in section 8 "*Expenses and Taxes*" of this Prospectus. Additional fees and expenses that may be charged are specified in section ii), "Expenses", of Chapter 8, "Expenses and Taxes".
ESG disclosure	The Subfund promotes ESG characteristics according to the strategy outlined in Annex B, nonetheless it remains exposed to Sustainability Risks. In view to integrating Sustainability Risks in the investment decision-making process and in addition to the Sustainability Risks listed in Chapter 6, of the general part of the Prospectus, the Investment Manager will consider ESG risks in the investment process alongside other factors, and will keep monitoring these ESG risks throughout the life-cycle of the investment. The Management Company delegates the portfolio management function of the funds under management and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR. The Investment Manager is actively reviewing its current investment processes and is improving these on a continuous basis with latest knowledge from research and industry best-practices.

Name of the Subfund	Cape Capital SICAV-UCITS – Cape Select Bond Fund
Investment Objective and Policy	The objective of the Subfund is to achieve risk-adjusted income with a focus on a mid-term horizon while at the same time also foreseeing short-term investments, by investing in liquid, subordinated credit instruments within the limitations set out in Chapter 5 ("Investment Restrictions") for the sake of compliance with the Law of 17 December 2010, and as prescribed below. The Subfund promotes environmental or social characteristics and qualifies under Article 8 of the SFDR. Please refer to the section "ESG Disclosure" below and Annex C for further details. The Subfund invests in a diversified portfolio of fixed income securities, across currencies, sectors and maturities with investment grade and high yield issue ratings. To achieve an optimal risk/reward profile, the Subfund invests in senior and subordinated debt and securities in bullet and/or callable format with various call and final maturity dates, as well as credit derivatives of similar characteristics. "Investment Grade" is defined as BBB- by S&P or Baa3 by Moody's or a comparable rating awarded by a recognized rating agency, or higher on the senior long-term unsecured level. Diversification reduces the impact of idiosyncratic risks, which is the risk associated specifically with the respective issuer of an instrument or with an individual security within the portfolio. In pursuing its investment objective through the abovementioned instruments and their callable nature, the Company does not have a duration target. Currency risks associated with investments denominated in currencies other than Euro are predominantly hedged via FX forward contracts. By way of derogation, maturity risks arising from the varying maturities might, in some specific cases, be allowed by the Investment Manager. The Subfund offers daily liquidity. Within the limits set out in Chapter 5 ("Investment Restrictions") the Subfund may acquire, inter alia, the following instruments in order to implement the investment strategy: - Bonds and credit instruments covering all issuer types and markets, (rated at least B- by S&P or B3 by Moody's or single B by Bloomberg Composite or a comparable rating awarded by a recognized rating agency, or which the Investment Manager has assessed and deemed to be sufficiently secure in case of non-rated securities): • Callable and subordinated bonds with various first call and final maturities, including hybrid bonds, i.e. equity-linked subordinated corporate and/or financial bonds that may be terminated by the issuer as of a date defined in advance at predefined terms; • Fixed or floating rate bonds and securitized debt; • Up to 50% of the Net Asset Value of the Subfund in contingent convertible instruments (CoCos); in that context, the Subfund may invest up to 3% in CoCos issued by UBS Group AG. - Credit derivatives (index, single name, tranches, baskets, options on indices); - Interest rate derivatives (IRS; interest rate & bond futures, swaptions on interest rates). The Subfund may also enter into FX transactions for the purpose of hedging against decline in value of the currencies in which the Subfund's portfolio holdings are denominated against the base currency of the Subfund. The foreign exchange transactions in relation to such portfolio hedging will be executed by the FX Hedging Agent, which will notably, in its capacity as FX Hedging Agent for the purpose of FX hedging activities, determine the appropriate hedging positions and placement of FX trades. In principle, the Subfund may also hold on a temporarily basis ancillary liquid assets up to 20 % of its Net Asset Value in the conditions set out in Chapter 3 "Investment Policy". The Subfund will not engage in uncovered sales of transferable securities. The Subfund will not make use of total return swaps, securities lending transactions, repurchase, reverse repurchase transactions, commodities lending or borrowing, buy-sell back and sell-buy back transactions, margin lending transactions or any other securities financing transactions. In pursuing the investment objective, the Subfund is not limited to the abovementioned instruments (e.g. in order to react to any financial market developments). For the avoidance of doubts, any instrument must be UCITS compliant. To the extent and within the limits set out in Chapter 5 ("Investment Restrictions"), the Subfund can, in order to achieve the investment objective, make direct investments in the aforementioned instruments, or invest in one or more derivative instruments that reflect the aforementioned investment strategy or individual component instruments via their underlying.
Benchmark	This Subfund is actively managed without reference to any benchmark.
Global exposure	The global exposure of the Subfund is calculated and monitored under the absolute VaR approach. The global exposure of the Subfund may not exceed 20% of its Net Asset Value, on the basis of a one-sided confidence interval of 99% and a holding period of 20 days.
Leverage	The level of leverage of the Subfund, based on the "sum of notionals" approach, is generally not expected to exceed 500% of the Net Asset Value, with an expected average level of leverage of 300% of the Net Asset Value. In certain circumstances (e.g. in case of rollover of swaptions before

	their expiry date for a short period) the leverage of the Subfund may exceed the above level, but will under no circumstances exceed a maximum level of 650%.
Period of Establishment/Life to Maturity	Unlimited
Reference Currency	EUR
Classes and Eligible Investors	

Share Class	**Initial and Holding Minimum Investment**	**Eligible Investors**
Institutional A EUR Accumulating	EUR 50 000 000	Family offices, asset managers and other institutional Investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 50 000 000.
Institutional A USD Accumulating	USD 50 000 000	
Institutional A CHF Accumulating	CHF 50 000 000	
Institutional A GBP Accumulating	GBP 50 000 000	
Institutional A EUR Distributing	EUR 50 000 000	Family offices, asset managers and other institutional Investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 50 000 000.
Institutional A USD Distributing	USD 50 000 000	
Institutional A CHF Distributing	CHF 50 000 000	
Institutional A GBP Distributing	GBP 50 000 000	
Institutional B EUR Accumulating	EUR 5 000	Share class for institutional investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 5 000.
Institutional B USD Accumulating	USD 5 000	
Institutional B CHF Accumulating	CHF 5 000	
Institutional B GBP Accumulating	GBP 5 000	
Institutional B EUR Distributing	EUR 5 000	Share class for institutional investors who, in their own name or in the name of their clients (e.g. through advisory or discretionary mandates) invest more than a total aggregate amount of EUR 5 000.
Institutional B USD Distributing	USD 5 000	
Institutional B CHF Distributing	CHF 5 000	
Institutional B GBP Distributing	GBP 5 000	
Internal A EUR Accumulating	None	Wealth management clients and business partners of Cape Capital AG
Internal A USD Accumulating		
Internal A CHF Accumulating		
Internal A GBP Accumulating		
Internal A EUR Distributing	None	Wealth management clients and business partners of Cape Capital AG
Internal A USD Distributing		
Internal A CHF Distributing		

	<table><tr><td>Internal A GBP Distributing</td><td></td><td></td></tr><tr><td>Retail A EUR Accumulating</td><td rowspan="4">None</td><td rowspan="4">Retail investors</td></tr><tr><td>Retail A USD Accumulating</td></tr><tr><td>Retail A CHF Accumulating</td></tr><tr><td>Retail A GBP Accumulating</td></tr><tr><td>Retail A EUR Distributing</td><td rowspan="4">None</td><td rowspan="4">Retail investors</td></tr><tr><td>Retail A USD Distributing</td></tr><tr><td>Retail A CHF Distributing</td></tr><tr><td>Retail A GBP Distributing</td></tr></table> (Non-EUR Classes shall be hedged against Reference Currency by the FX Hedging Agent. Thus, the Subfund may enter into currency hedging transactions for these Alternate Currency Classes in order to minimize the effect of price fluctuations in this alternate currency. The currency hedging transactions will be executed by the FX Hedging Agent.)
Specific risk factors regarding leverage	The leverage calculation methodology based on the sum of the gross notional values of all financial derivative instruments does not take into account any netting or hedging arrangements. Attention should be drawn to the fact that one derivative instrument may partially or perfectly offset the market risk of another derivative instrument. Derivative instruments may also reduce the risks associated with holdings in non-derivative products e.g. on shares and bonds. Disclosure of the gross notional value of derivatives is a requirement under UCITS laws and regulations, and as this measure does not allow for the netting just described, the figure resulting from this calculation method will be higher than if the netting just described was reflected in the figure, and this measure does not necessarily represent the market risk incurred through the use of derivatives. The investment strategy adopts the principle of risk spreading through diversification by investing across a wide range of instruments in the credit and rates markets. The true economic risk within the Company can, depending on specific positioning, be substantially less risky than what might be inferred from potentially high gross notional leverage ratios, which do not take any hedging or offsetting economic effects into consideration. For example, a bond position which is currency-, interest rate- and credit-hedged will have little economic risk but might show as a position with a relatively high leverage, despite from an economic point of view the economic residual risk left in such a position may be significantly lower than as expressed by the leverage ratio. Furthermore, the gross notional value of derivatives, as required under UCITS laws and regulations, does not take into account the diversification benefits inherent in the construction of offsetting positions. Despite the high leverage of the Subfund on a sum of notionals/gross basis, the diversification and risk adjustment of the investment strategy are designed to ensure that no single component will unduly influence its performance, it being understood, however, that there may be occasions where allocations are more highly concentrated amongst the positions, which may result in a single position exhibiting a greater influence. Shareholders should note that leverage resulting from the use of financial derivative instruments may result in magnified losses.
Specific risk factors regarding CoCos	Please refer to section “Investments in CoCos” of Chapter 6 “Risk factors” of the general part of this Prospectus.
Specific risk factors regarding sustainability	The Subfund could be exposed to some Sustainability Risks, which may differ depending on the investment instruments. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.
Minimum subsequent Subscription Amount	None
Initial Issue Price	EUR 100
Launch Date	The Subfund was created on 2 September 2019.
Minimum Initial Subscription and Holding Requirement	As defined in **Classes and Eligible Investors**.
Sales Charge	None

Redemption Charge	None
Conversion Charge	None
Appropriation of Income	Accumulating
Business Day	Each day on which banks are normally open for business in Luxembourg, Switzerland and the Canton of Zurich.
Cut-Off Time for remittance of Subscription/Redemption/Conversion Applications	The Shares may be subscribed/redeemed/converted on each Business Day prior to the cut-off time (see below) (the "Subscription Date" or "Redemption Date" or "Conversion Date", respectively). Subscription/Redemption/Conversion applications must be submitted to the Central Administration at least one (1) Business Day prior to the Valuation Day by 3.00 p.m. (Central European time). Subscription/Redemption/Conversion applications received after 3.00 p.m. on a Business Day shall be deemed to have been received prior to 3 p.m. on the following Business Day.
Redemption/Conversion Limits	If on any Business Day, redemption/conversion requests relate to more than 10 % of the Net Asset Value of the Subfund, the Company may decide that part or all of such requests for redemption/conversion will be deferred proportionally for such period as the Company considers to be in the best interest of the Subfund, but normally not exceeding ten (10) Business Days after the Redemption Date or the Conversion Date in relation to which the relevant redemption/conversion request relates. All deferred redemption/conversion requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of Shareholders.
Valuation Day	Each Business Day.
Calculation Date	Each Business Day following a Valuation Day.
Payment Period	Subscription payment must be received within two (2) Business Days after the Calculation Date. Payment of the redemption price of the Shares shall be made within two (2) Business Days following the Calculation Date.
Taxe d'abonnement	0.05% p.a. The rate is however 0,01% p.a. for individual Subfunds as well as for individual Classes, provided that the Shares of such Subfund or Class are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the conditions resulting from the Luxembourg regulator's administrative practice).
Valuation principles	See Chapter 7.
Expenses and taxes	See Chapter 8. For its investment management services described in Chapter 15, the Investment Manager receives an Investment Management Fee depending on the specific share class: - Institutional A: 0.20% p.a. - Institutional B: 0.25% p.a. - Internal A: 0.25% p.a. - Retail A: 0.35% p.a. For its services described in Chapter 14, the Management Company shall receive a Management fee. The Investment Management Fee shall be paid out of that Management fee. The Management fee shall consist of the Investment Management Fee for the respective share classes plus a maximum of 0.05 % p.a. and a fixed ESG fee of up to EUR 15'000 p.a. for services rendered by the Management Company. The Management fee shall be paid monthly in arrears during the month following the end of the relevant month. The Investment Management Fee and the Management fee shall be calculated based on the average monthly Net Asset Value of the respective Class. The fee for the accounting services of the Central Administration paid out of the assets of the Subfund shall not exceed 0.05 % p.a., calculated on the basis of the average monthly Net Asset Value of the Subfund. The fee payable to the Depositary Bank paid out of the assets of the Subfund shall in principle not exceed 0.04 % p.a. calculated on the basis of the average monthly Net Asset Value of the respective Class. The FX Hedging Agent is entitled to receive a quarterly FX hedging fee as further specified in section 8 "*Expenses and Taxes*" of this Prospectus. Additional fees and expenses that may be charged are specified in section ii), "Expenses", of Chapter 8, "Expenses and Taxes".
ESG disclosure	The Subfund promotes ESG characteristics, according to the strategy outlined in Annex C, nonetheless it remains exposed to Sustainability Risks. In view to integrating Sustainability Risks in the investment decision-making process and in addition to the Sustainability Risks listed in Chapter 6, of the general part of the Prospectus, the Investment Manager will consider ESG risks

	in the investment process alongside other factors, and will keep monitoring these ESG risks throughout the life-cycle of the investment. The Management Company delegates the portfolio management function of the funds under management and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR. The Investment Manager is actively reviewing its current investment processes and is improving these on a continuous basis with latest knowledge from research and industry best-practices.

ANNEX A. TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR CAPE CAPITAL SICAV-UCITS – CAPE FIXED INCOMED FUND REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

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

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

Product name: Cape Capital SICAV-UCITS – Cape Fixed Income Fund (the “Subfund”)

Legal entity identifier: 5493005NDTKEGCERHE89

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _7_% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Subfund will substantially invest in companies exhibiting superior ESG profiles based on the internal assessment via a proprietary ESG rating. In addition, the Subfund will not invest in certain sectors or companies on the basis of binding norm-based, value-based, and standard industry exclusions. No reference benchmark has been designated for the purpose of attaining the environmental and social (“E&S”) characteristics promoted.

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

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

The sustainability indicators used to measure the attainment of the E&S characteristics promoted are the following:

- Number of companies with an MSCI ESG rating of B, with the maximum % of AUM in B rated companies not exceeding the % of B rated companies in the MSCI World
- Number of companies with revenues >0% from activities in cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted uranium, white phosphorus, blinding laser, or bio / chemical weapons
- Number of companies with revenues of >5% from activities in tobacco, adult entertainment, direct gambling, or coal.

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

The Investment Manager defines sustainable assets that fulfil at least one of the below criteria. Below indicators are self-defined and customized to the characteristics of the asset class.

- Alternative energy: minimum 15% of revenue generated from renewable energy from solar, wind, hydro, geothermal, biomass, biofuel, fuel cells, waste-to-energy, wave tidal and alternative energy storage.
- Energy efficiency: minimum 15% of revenue generated from energy-efficient automation and optimization services and infrastructure.
- Green building: minimum 10% of revenue generated from the design, construction, redevelopment, retrofitting, or acquisition of green certified properties to raise capacity for effective climate change mitigation and adaptation.
- Sustainable water: minimum 15% of revenue generated from resolving water scarcity and water quality issues, improving the quality and availability of water supply to improve resource management in both domestic and industrial use.
- Sustainable agriculture: minimum 10% of revenue generated from agricultural goods produced using certified sustainable or organic practices.
- Pollution control: minimum 10% of revenue generated from the reduction of the volume of waste materials through recycling, minimizes introduction of toxic substances, and offers remediation of existing contaminants to significantly address pollution in all levels and its negative effects.

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

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

To protect the Subfund's investments against causing significant harm, the Investment Manager applies indicators for adverse impact defined in the final RTS related to SFDR and as further described below. The sustainability profile of issuers' economic activities is considered in order to exclude those with material exposure to economic activities that cause significant harm as per the approach further described below.

The calculation of these indicators will be subject to disclosures of the investee companies.

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

The Investment Manager has selected indicators for adverse impacts on sustainability factors from the final RTS related to SFDR and has defined two (2) main approaches to take them into account: (i) the Investment Manager completely excludes from the Subfund's portfolio certain investment positions that have exposure to certain controversial activities or that violates certain principles in line with the investment strategy of the Subfund and (ii) the Investment Manager takes exposure to investment positions depending on how they position themselves compared to MSCI ACWI.

The table below outlines for each indicator for adverse impacts on sustainability factors how the Investment Manager takes them into account in its investment decisions.

1. GHG emissions	Lower weighted average emission compared to MSCI ACWI
2. Carbon footprint	Lower weighted average footprint compared to MSCI ACWI
3. GHG intensity	Lower weighted average intensity compared to MSCI ACWI
4. Exposure to companies active in the fossil fuel sector	Not more than 5% higher compared to MSCI ACWI
5. Share of non-renewable energy consumption and production	Lower share compared to MSCI ACWI
6. Energy consumption intensity per high impact climate sector	Lower share compared to MSCI ACWI
7. Activities negatively affecting biodiversity-sensitive areas	Lower share compared to MSCI ACWI
8. Emissions to water	Lower weighted average emission compared to MSCI ACWI
9. Waste	Lower weighted average hazardous waste production compared to MSCI ACWI
10. Violations of UN Global Compact principles	No investments in companies violating UN Global Compact principles
11. Lack of processes and compliance mechanisms to monitor compliance	Lower share compared to MSCI ACWI
12. Unadjusted gender pay gap	Lower weighted average pay gap compared to MSCI ACWI
13. Board gender diversity	Higher weighted average percentage of female board members compared to MSCI ACWI
14. Exposure to controversial weapons	No investment in companies with exposure to controversial weapons

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

The Subfund uses the MSCI Global Compact screen to assess alignment with the following glob standards:

- UN Global Compact Principles
- UN Guiding Principles for Business and Human Rights
- International Labour Organization

Alignment with the OECD Guidelines is assessed through these global standards as they cover the majority of the OECD principles. Such principles are further covered by the MSCI ESG Controversies framework. A company that fails to comply with either of the three standards cannot be considered for investment. Failure is defined as a company being implicated in one or more controversy cases where there are credible allegations that the company or its management inflicted serious large-scale harm in violation of global norms.

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

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

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

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

☒ Yes, the E&S impacts of the activities of the securities held by the Subfund are assessed by the Investment Manager as set out in the table below. The consideration of the indicators for principal adverse impacts provides additional input to the E&S pillar of the ESG evaluation of issuers and may, in some cases and under certain conditions, lead to exclusions or conditional inclusions of securities. The Investment Manager monitors and evaluates a range of indicators for principal adverse impacts. However, as the reporting of many of these metrics by investee entities are currently voluntary, the availability of data on some indicators is limited. Notwithstanding the above, as data availability improves, it is expected that indicators for principal adverse impacts will cover a greater portion of the Investment Manager's investable universe and therefore allow for better insight in the adverse impacts caused by investee entities. As such, the integration of indicators for principal adverse impacts is conducted on a best-efforts basis, reflecting the availability of such information. Further information on the consideration of principal adverse impacts by the Subfund will be provided in a future version of this Prospectus.

1. GHG emissions	Lower weighted average emission compared to MSCI ACWI
2. Carbon footprint	Lower weighted average footprint compared to MSCI ACWI

3. GHG intensity	Lower weighted average intensity compared to MSCI ACWI
4. Exposure to companies active in the fossil fuel sector	Not more than 5% higher compared to MSCI ACWI
5. Share of non-renewable energy consumption and production	Lower share compared to MSCI ACWI
6. Energy consumption intensity per high impact climate sector	Lower share compared to MSCI ACWI
7. Activities negatively affecting biodiversity-sensitive areas	Lower share compared to MSCI ACWI
8. Emissions to water	Lower weighted average emission compared to MSCI ACWI
9. Waste	Lower weighted average hazardous waste production compared to MSCI ACWI
10. Violations of UN Global Compact principles	No investments in companies violating UN Global Compact principles
11. Lack of processes and compliance mechanisms to monitor compliance	Lower share compared to MSCI ACWI
12. Unadjusted gender pay gap	Lower weighted average pay gap compared to MSCI ACWI
13. Board gender diversity	Higher weighted average percentage of female board members compared to MSCI ACWI
14. Exposure to controversial weapons	No investment in companies with exposure to controversial weapons

More information on the principal adverse impacts on sustainability factors will be made available in the periodic report in accordance with Article 11(2) of the SFDR.

☐ No

What investment strategy does this financial product follow?

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

The Subfund aims to generate positive returns within the universe of investment grade rated issuers in Europe. The analysis focuses on capital structure and issuer credit fundamental factors. In addition, the Subfund promotes E&S characteristics or a combination of those characteristics. This means that the Subfund does not make investment decisions solely based on ESG criteria, however, the Subfund excludes investments that are screened according to below defined measures. Further, the Subfund commits to invest a minimum of 7% of its assets in sustainable investments.

The Subfund's investable universe is defined using three types of exclusions:

- Norm-based exclusions
- Value-based exclusions
- Standard industry exclusions

Norm-based exclusions are amongst others defined based on controversial weapons that cause disproportionate harm and remain a threat long after a conflict has been resolved. Therefore, any company which has a tie to cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted Uranium, white Phosphorous, blinding laser, or bio/chemical weapons is directly excluded from the investment universe.

Looking at Value-based exclusions, the Subfund does not intend to have any investments in industries that are believed to have mostly negative E&S impacts. Specifically, this applies to the following industries: the production of coal, adult entertainment, tobacco, and direct gambling activities.

Standard industry exclusions are based on the exclusions determined by the Swiss Responsible Investment Committee which bases its ESG criteria on Swiss law and regulations and international agreements and conventions. As such, any company which is on the exclusion list of the Swiss Responsible Investment Committee is directly excluded from the investment universe.

Additionally, the Subfund relies on the proprietary Cape ESG rating which has been developed together with the Center for Sustainable Finance at the University of Zurich. The Cape ESG rating is built on three scoring components: Environmental score, social score, and governance score. In order to have a meaningful score, the Cape ESG rating focuses on key factors from MSCI ESG Manager which have high data coverage.

To derive the final rating, we compare the Cape ESG rating with the MSCI ESG rating, and take the lower rating. To assess the attractiveness of each investment, the relative value, historical ratings, ratings momentum on single companies as well as the weighted average score on a portfolio basis will be looked at. It is important to understand that ESG scores are not used as a single basis for decision making. Rather, ESG data is looked at in detail to compare the relative strength and weaknesses of companies and evaluating securities for the portfolio that have both strong valuation and ESG criteria.

In order to ensure compliance with the Investment Manager's Responsible Investing Guidelines, Cape Capital's portfolio management system in the liquid space (Bloomberg AIM) incorporates the latest ESG Monitor list through its pre- and post-trade compliance checks on an ongoing basis. In order to track intra-month developments, respective notifications are set.

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

The Subfund's investable universe is defined using three types of exclusions: Norm-based, value-based, and standard industry exclusions.
As part of the norm-based exclusions, any company with revenues of >0% from activities in, including but not limited to the following will be excluded from the investment universe:

- Cluster munitions
- Landmines
- Nuclear weapons
- Non-detectable fragments
- Depleted Uranium
- White Phosphorus
- Blinding Laser
- Bio / Chemical Weapons

Value-based exclusions include, but are not limited to, companies with revenues of >5% from activities in:

- Tobacco
- Adult entertainment
- Direct gambling
- Coal

Standard industry exclusions are based on the exclusions determined by the Swiss Responsible Investment Committee. Any company which is on their exclusion list is directly excluded from the investment universe. The latest version of the exclusion list can be found on: https://www.svvk-asir.ch/en/exclusion-list/.

Additionally, the Subfund compares the Cape ESG rating with the MSCI ESG, and takes the lower rating. CCC rated companies by MSCI ESG or Cape ESG rating are directly excluded from the universe in the ongoing pre- and post-compliance checks.

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

Not applicable.

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

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

In order to ensure that investee companies follow good governance practices, the Subfund aims to exclude any company which is flagged by any of the Ten Principles of the United Nations Global Compact from the investment universe. The UN Global Compact is a corporate sustainability initiative with the aim to create a global movement of sustainable companies and stakeholders to create a better world. The Ten Principles of the United Nations Global Compact are derived from: The Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Asset allocation describes the share of investments in specific assets.

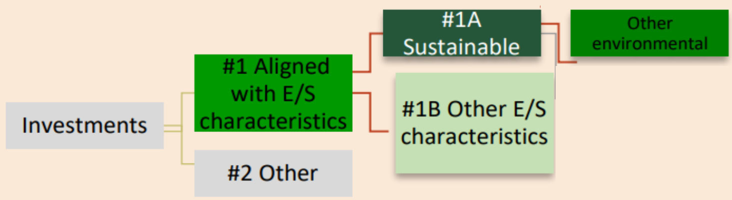
What is the asset allocation planned for this financial product?

As of today, the minimum asset allocation in #1 "Aligned with E/S characteristics" is 70%, while the maximum asset allocation in #2 "Other" is 30%. The allocation is subject to further development in both the composition of the fixed income universe and the availability of company reporting data. The Subfund intends to increase the allocation to "#1 Aligned with E/S characteristics" should the investible universe evolve to allow a higher level of investment.

Within the "#1 Aligned with E/S characteristics", the minimum allocation in "#1A Sustainable" is 10% (i.e., 7% of the total Subfund's assets) while the maximum allocation in "#1B Other E/S characteristics" is 90% (i.e. 63% of the total Subfund's assets).

The Subfund commits to a minimum of 7% of sustainable investments.

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



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

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

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

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

Not applicable.

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

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

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

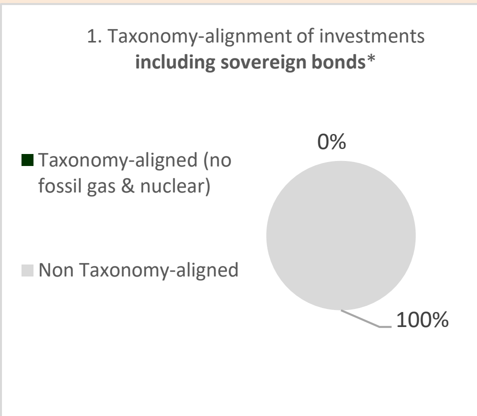
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

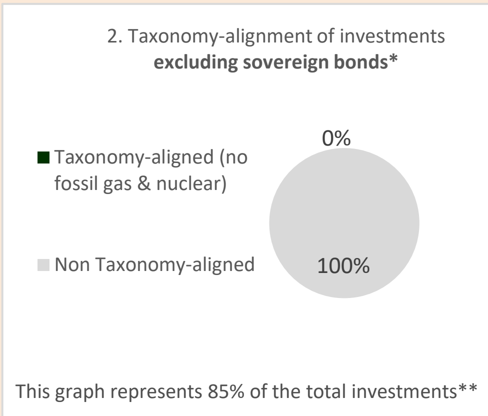
The Subfund does not currently commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy1?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

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





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
***The proportion of total investments shown in this graph is purely indicative and may vary.*

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

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

As the Subfund does not commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation, the minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation is therefore also to at least 0%.

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

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

The Subfund commits to make at least 7% of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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

Investments included under "#2 Other" are made up of cash and fixed-term deposits (up to 20% of the Subfund's assets), derivative on currency and swaps as well as passive instruments based on a reference index (such as ETF) and investments referencing a specific pool of different underlyings (such as CLOs). Additionally, investments 'Non-Rated' by data providers will also fall under" #2 Other". This is mainly due to the lack reporting data at the company level. These investments do not have any minimum E&S safeguards.

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

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

Not applicable.

Where can I find more product specific information online?

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

Please refer to the section "Our funds" of the Management Company's website (https://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html) where a fund and a share class can be selected to access more product specific information under the tab "Documents".

ANNEX B. TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR CAPE CAPITAL SICAV-UCITS – CAPE EQUITY FUND REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/85

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

Product name: Cape Capital SICAV-UCITS – Cape Equity Fund (the "Subfund")

Legal entity identifier: 549300N0CO9RLAMMGR86

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 3 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

The Subfund will invest in companies exhibiting favourable ESG profiles based on the assessment of MSCI's ESG rating. In addition, the Subfund will not invest in certain sectors or companies on the basis of binding rating-based, norm-based and value-based exclusions. No reference benchmark has been designated for the purpose of attaining the environmental and social ("E&S") characteristics promoted.

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

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

The sustainability indicators used to measure the attainment of the E&S characteristics promoted are the following:

- Number of companies with a MSCI ESG rating of CCC, with no investments in CCC-rated companies.
- Number of companies with an MSCI ESG rating of B, with the maximum % of AUM in B-rated companies not exceeding 5%.
- Number of companies with revenues >0% from activities in cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted uranium, white phosphorus, blinding laser, or bio / chemical weapons

Number of companies with revenues of >5% from activities in tobacco, adult entertainment, direct gambling, or coal.

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

The Investment Manager defines sustainable investments as companies that fulfil the below criteria, taking into account the SDG product alignment score from MSCI.

- SDG product alignment score cannot be negative for any of the 17 SDGs
- SDG product alignment score has to be at least 5 (i.e. aligned according to MSCI) for at least one of the 17 SDGs

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

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

To protect the Subfund's investments against causing significant harm, the Investment Manager applies indicators for adverse impact defined in the final RTS related to SFDR and as further described below. The sustainability profile of issuers' economic activities is considered in order to exclude those with material exposure to economic activities that cause significant harm as per the approach further described below.

The calculation of these indicators will be subject to disclosures of the investee companies.

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

The Investment Manager has selected indicators for adverse impacts on sustainability factors from the final RTS related to SFDR and has defined three(3) main approaches to take them into account: (i) the Investment Manager excludes companies that have no science-based carbon reduction targets; (ii) the Investment Manager completely excludes from the Subfund's portfolio certain investment positions that have exposure to certain controversial activities or that violates certain principles in line with the investment strategy of the Subfund and (iii) the Investment Manager takes exposure to investment positions depending on how they position themselves compared to MSCI ACWI Index.

The table below outlines for each indicator for adverse impacts on sustainability factors how the Investment Manager takes them into account in its investment decisions.

1. GHG emissions	Exclusion of companies that are deemed to have a significant negative contribution to climate change (i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) and have no science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
2. Carbon footprint	Exclusion of companies that are deemed to have a significant negative contribution to climate change (i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) and have no science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
3. GHG intensity	Exclusion of companies that are deemed to have a significant negative contribution to climate change (i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) and have no science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
4. Exposure to companies active in the fossil fuel sector	Exclusion of companies exposed to fossil fuel related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.
5. Share of non-renewable energy consumption and production	Due to limited data coverage, this indicator is not being considered
6. Energy consumption intensity per high impact climate sector	Due to limited data coverage, this indicator is not being considered
7. Activities negatively affecting biodiversity-sensitive areas	Exclusion of companies with activities negatively affecting biodiversity-sensitive areas
8. Emissions to water	Due to limited data coverage, this indicator is not being considered
9. Waste	Due to limited data coverage, this indicator is not being considered
10. Violations of UN Global Compact principles	Exclusion of companies that are not aligned with the United Nations Global Compact principles
11. Lack of processes and compliance mechanisms to monitor compliance	Exclusion of companies that are not UNGC signatories
12. Unadjusted gender pay gap	Due to limited data coverage, this indicator is not being considered
13. Board gender diversity	Comparable or higher percentage of female board members compared to MSCI ACWI Index.
14. Exposure to controversial weapons	Exclusion of companies with exposure to controversial weapons

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

The Subfund uses the MSCI Global Compact screen to assess alignment with the following global standards:

- UN Global Compact Principles
- UN Guiding Principles for Business and Human Rights
- International Labour Organization

Alignment with the OECD Guidelines is assessed through these global standards as they cover the majority of the OECD principles. Such principles are further covered by the MSCI ESG Controversies framework. A company that fails to comply with either of the three standards cannot be considered for investment. Failure is defined as a company being implicated in one or more controversy cases where there are credible allegations that the company or its management inflicted serious large-scale harm in violation of global norms.

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

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

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

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

☒ Yes, the E&S impacts of the activities of the securities held by the Subfund are assessed by the Investment Manager as set out in the table below. The consideration of the indicators for principal adverse impacts provides additional input to the E&S pillar of the ESG evaluation of issuers and may, in some cases and under certain conditions, lead to exclusions or conditional inclusions of securities. The Investment Manager monitors and evaluates a range of indicators for principal adverse impacts. However, as the reporting of many of these metrics by investee entities are currently voluntary, the availability of data on some indicators is limited. Notwithstanding the above, as data availability improves, it is expected that indicators for principal adverse impacts will cover a greater portion of the Investment Manager's investable universe and therefore allow for better insight in the adverse impacts caused by investee entities. As such, the integration of indicators for principal adverse impacts is conducted on a best-efforts basis, reflecting the availability of such information. Further information on the consideration of principal adverse impacts by the Subfund will be provided in a future version of this Prospectus.

1. GHG emissions	Exclusion of companies that are deemed to have a significant negative contribution to climate change (i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) At least 10% of Fund AUM have science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
2. Carbon footprint	Exclusion of companies that are deemed to have a significant negative contribution to climate change (i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) At least 10% of Fund AUM have science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
3. GHG intensity	Exclusion of companies that are deemed to have a significant negative contribution to climate change

	(i.e., companies that are considered to be the biggest emitters of greenhouse gas globally) At least 10% of Fund AUM have science-based carbon reduction targets (approved by the Science-Based Targets Initiative)
4. Exposure to companies active in the fossil fuel sector	Not more than 5% higher compared to MSCI ACWI Index
10. Violations of UN Global Compact principles	Exclusion of companies that are not aligned with the United Nations Global Compact principles
14. Exposure to controversial weapons	Exclusion of companies with exposure to controversial weapons

More information on the principal adverse impacts on sustainability factors will be made available in the periodic report in accordance with Article 11(2) of the SFDR.

☐ No

What investment strategy does this financial product follow?

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

The Subfund's goal is to achieve sustainable long-term capital appreciation by holding a highly concentrated portfolio of 20 to 30 companies that are aligned with secular themes. The Investment Manager follows a bottom-up investment approach and builds an in-depth understanding of each company in which the Subfund invests. The Investment Manager's analysis is summarized in an extensive report and updated on a quarterly basis. The Investment Manager further deploy a proprietary Discounted Cash Flow model (DCF) which attempts to determine a fair value estimate based on the projection of future cash flows discounted back to the present value.

The Subfund's investable universe is defined using three types of exclusions:

- Rating-based exclusions
- Norm-based exclusions
- Value-based exclusions

The Subfund does not invest in companies that have an MSCI ESG rating of CCC, and limits the number of companies with an MSCI ESG rating of B to a maximum of 5% of AUM.

Norm-based exclusions are amongst others defined based on controversial weapons that cause disproportionate harm and remain a threat long after a conflict has been resolved. Therefore, any company which has a tie to cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted Uranium, white Phosphorous, blinding laser, or bio/chemical weapons is directly excluded from the investment universe.

Looking at Value-based exclusions, the Subfund does not intend to have any investments in industries that are believed to have mostly negative E&S impacts. Specifically, this applies to the following industries: the production of coal, adult entertainment, tobacco, and direct gambling activities.

In order to ensure compliance with the Investment Manager's Responsible Investing Guidelines, Cape Capital's portfolio management system in the liquid space (Bloomberg AIM) incorporates the latest ESG Monitor list through its pre- and post-trade compliance checks on an ongoing basis. In order to track intra-month developments, respective notifications are set.

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

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

The Subfund's investable universe is defined using three types of exclusions: Rating-based, norm-based and value-based exclusions.

As part of the rating-based exclusions, following limitations apply:

- No investments in companies that have a MSCI ESG rating of CCC,
- Maximum 5% of AUM invested in companies with an MSCI ESG rating of B.

For norm-based exclusions, any company with revenues of >0% from activities in, including but not limited to the following will be excluded from the investment universe:

- Cluster munitions
- Landmines
- Nuclear weapons
- Non-detectable fragments
- Depleted Uranium
- White Phosphorus
- Blinding Laser
- Bio / Chemical Weapons

Value-based exclusions include, but are not limited to, companies with revenues of >5% from activities in:

- Tobacco
- Adult entertainment
- Direct gambling
- Coal

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

Not applicable.

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

In order to ensure that investee companies follow good governance practices, the Subfund aims to exclude any company which is flagged by any of the Ten Principles of the United Nations Global Compact from the investment universe. The UN Global Compact is a corporate sustainability initiative with the aim to create a global movement of sustainable companies and stakeholders to create a better world. The Ten Principles of the United Nations Global Compact are derived from: The Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

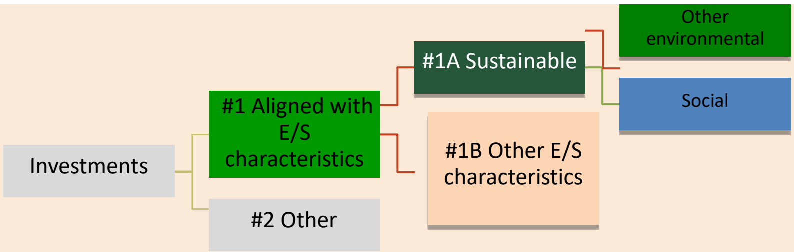
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

As of today, the minimum asset allocation in #1 “Aligned with E/S characteristics” is 80%, while the maximum asset allocation in #2 Other is 20%.

Within the “#1 Aligned with E/S characteristics”, the minimum allocation in “#1A Sustainable” is 3% (i.e., 2.4% of the total Subfund’s assets) while the maximum allocation in “#1B Other E/S characteristics” is 97% (i.e., 77.6% of the total Subfund’s assets). The Subfund commits to a minimum of 3% of sustainable investments.

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



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

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

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

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

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

Not applicable.

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

The Subfund does not currently commit to invest in any “sustainable investment” within the meaning of the Taxonomy Regulation. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

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

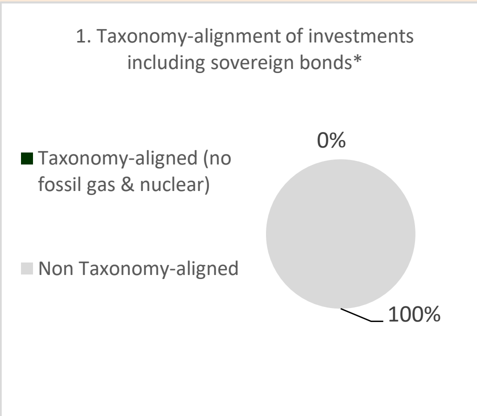
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

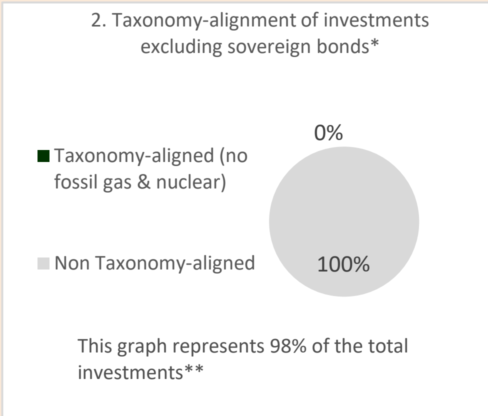
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

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





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
***The proportion of total investments shown in this graph is purely indicative and may vary.*

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

As the Subfund does not commit to invest any "sustainable investment" within the meaning of the Taxonomy Regulation, the minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation is therefore also set at 0%.

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

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

The Subfund commits to make at least 1% of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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

What is the minimum share of socially sustainable investments?

The Subfund commits to make at least 1% of socially sustainable investments.

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

Investments included under “#2 Other” are made up of cash and fixed-term deposits, derivative on currency and swaps. Additionally, investments ‘Non-Rated’ by data providers will also fall under “#2 Other”. This is mainly due to the lack reporting data at the company level. These investments do not have any minimum E&S safeguards.

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

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

Not applicable.

Where can I find more product specific information online?

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

Please refer to the section “Our funds” of the Management Company’s website (https://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html) where a fund and a share class can be selected to access more product specific information under the tab “Documents”.

ANNEX C. TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR CAPE CAPITAL SICAV-UCITS – CAPE SELECT BOND FUND REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: Cape Capital SICAV-UCITS – Cape Select Bond Fund (the "Subfund")

Legal entity identifier: 5493002K2TXZ8F12BY79

Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Subfund will mainly invest in companies exhibiting superior ESG profiles based on the internal assessment via a proprietary ESG rating. In addition, the Subfund will not invest in certain sectors or companies on the basis of binding norm-based, value-based, and standard industry exclusions.

No reference benchmark has been designated for the purpose of attaining the environmental and social ("E&S") characteristics promoted.

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

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

The Sustainability indicators used to measure the attainment of the E&S characteristics promoted are the following:

- Number of companies with an MSCI ESG rating of B
- Number of companies with revenues >0% from activities in cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted uranium, white phosphorus, blinding laser, or bio / chemical weapons
- Number of companies with revenues of >5% from activities in tobacco, adult entertainment, direct gambling, or coal.

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

Not applicable.

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

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

Not applicable.

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

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

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

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

☐ Yes

☒ No

What investment strategy does this financial product follow?

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

The objective of the Subfund is to generate positive financial returns through investing in front end fixed income instruments which include both short term bullet bonds and short dated callable bonds. The Subfund promotes E&S characteristics or a combination of both. However, the Subfund does not make investments solely based on ESG criteria, but it excludes investments that are screened by below defined measures.

The Subfund's investable universe is defined using three types of exclusions:

- Norm-based exclusions
- Value-based exclusions
- Standard industry exclusions

Norm-based exclusions are amongst others defined based on controversial weapons that cause disproportionate harm and remain a threat long after a conflict has been resolved. Therefore, any company which has a tie to cluster munitions, landmines, nuclear weapons, non-detectable fragments, depleted Uranium, white Phosphorous, blinding laser, or bio/chemical weapons is directly excluded from the investment universe.

Looking at Value-based exclusions, the Subfund does not intend to have any investments in industries that are believed to have mostly negative E&S impacts. Specifically, this applies to the following industries: the production of coal, adult entertainment, tobacco, and direct gambling activities.

Standard industry exclusions are based on the exclusions determined by the Swiss Responsible Investment Committee which bases its ESG criteria on Swiss law and regulations and international agreements and conventions. As such, any company which is on the exclusion list of the Swiss Responsible Investment Committee is directly excluded from the investment universe. Additionally, the Subfund relies on the proprietary Cape ESG rating which has been developed together with the Center for Sustainable Finance at the University of Zurich. The Cape ESG rating is built on three scoring components: Environmental score, social score, and governance score. In order to have a meaningful score, the Cape ESG rating focuses on key factors from MSCI ESG Manager which have high data coverage.

To derive the final rating, the Cape ESG rating is compared with the MSCI ESG rating, whereof the lower rating will be taken. To assess the attractiveness of each investment, the relative value, historical ratings, ratings momentum on single companies as well as the weighted average score on a portfolio basis will be looked at. It is important to understand that ESG scores are not used as a single basis for decision making. Rather, ESG data is looked at in detail to compare the relative strength and weaknesses of companies and evaluating securities for the portfolio that have both strong valuation and ESG criteria.

In order to ensure compliance with the Investment Manager's Responsible Investing Guidelines and minimum ESG rating requirements, Cape Capital's portfolio management system (Bloomberg AIM) duly incorporates the latest ESG monitor list through its pre- and post-trade compliance checks on an ongoing basis by the Investment Manager's independent risk management. In order to track intra-month developments, respective notifications and alerts are set in the trading and risk monitoring system, which ensures that no exclusion list names or lower than B rated issuers can enter the portfolio.

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

First, the issuers in the Subfund have a minimum MSCI ESG rating requirement of B or above, whereby all lower rated companies and issuers are excluded per policy and as binding element of the strategy.

Secondly, the fund will not invest in certain sectors and companies on the basis of binding norm-based, value-based and standard industry exclusions with an updated exclusion list.

As part of the norm-based exclusions, any company with revenues of >0% from activities in, including but not limited to the following will be excluded from the investment universe:

- Cluster munitions

- Landmines
- Nuclear weapons
- Non-detectable fragments
- Depleted Uranium
- White Phosphorous
- Blinding Laser
- Bio / Chemical Weapons
-

Value-based exclusions include, but are not limited to, companies with revenues of >5% from activities in:

- Tobacco
- Adult entertainment
- Direct gambling
- Coal

Standard industry exclusions are based on the exclusions determined by the Swiss Responsible Investment Committee. Any company which is on their exclusion list is directly excluded from the investment universe. The latest version of the exclusion list can be found on: https://www.svvk-asir.ch/en/exclusion-list/

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

Not applicable.

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

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

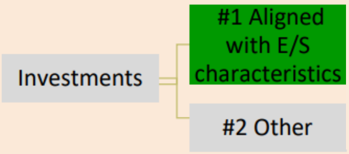
In order to ensure that investee companies follow good governance practices, the Subfund aims to exclude any company which is flagged by any of the Ten Principles of the United Nations Global Compact from the investment universe. The UN Global Compact is a corporate sustainability initiative with the aim to create a global movement of sustainable companies and stakeholders to create a better world. The Ten Principles of the United Nations Global Compact are derived from: The Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Connection against Corruption.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

As of today, the minimum asset allocation in #1 “Aligned with E/S characteristics” is 70%, while the maximum asset allocation in #2 “Other” is 30%.

The allocation is subject to further development in both the composition of the fixed income universe and the availability of company reporting data. The Subfund intends to increase the allocation to “#1 Aligned with E/S characteristics” should the investible universe evolve to allow a higher level of investment.



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

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

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

Not applicable.

Taxonomy-aligned activities are expressed as a share of:

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

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

The Subfund promotes E&S characteristics but does not commit to making any sustainable investments. As a consequence, the Subfund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy.

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

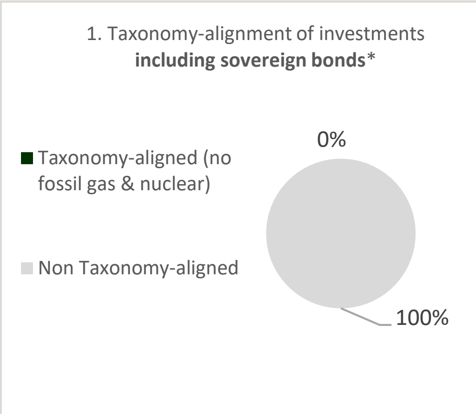
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

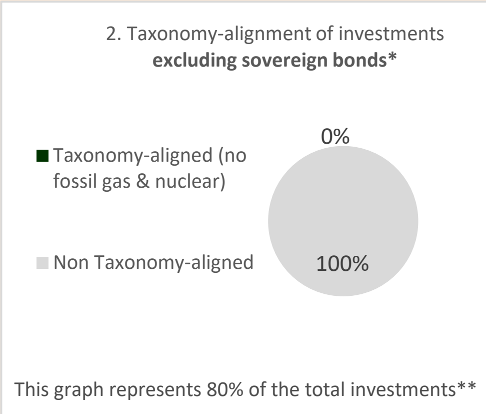
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy3?

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

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





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
***The proportion of total investments shown in this graph is purely indicative and may vary.*

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

The Subfund promotes E&S characteristics but does not commit to making any sustainable investments. As a consequence, the Subfund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

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

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

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

The Subfund promotes E&S characteristics, but does not commit to making any sustainable investments. As a consequence, the Subfund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable.

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

Investments included under "#2 Other" are made up of cash and fixed-term deposits (up to 20% of the Subfund's assets), derivative on currency and swaps. Additionally, investments 'Non-Rated' by data providers will also fall under" #2 Other". This is mainly due to the lack reporting data at the company level. These investments do not have any minimum E&S safeguards.

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Not applicable.

Where can I find more product specific information online?

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

Please refer to the section "Our funds" of the Management Company's website (https://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html) where a fund and a share class can be selected to access more product specific information under the tab "Documents".