

# **PWM FUNDS**

**Société d'investissement à capital variable de droit luxembourgeois (open-ended  
investment company under Luxembourg law)**

# **P R O S P E C T U S**

**January 2023**

No one is authorised to give any information other than that contained in this prospectus or in documents referred to herein.

**Processing of personal data** – Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Fund and FundPartner Solutions (Europe) S.A. (the "**Controllers**") will be processed by the Controllers in accordance with the Privacy Notice referred to in section 19. "Processing of Personal Data", a current version of which accompanies this prospectus. All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers are invited to and read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controllers.

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**MANAGEMENT AND ADMINISTRATION**

**Registered Office:** 15, avenue J.F. Kennedy  
L-1855 Luxembourg

**Board of Directors of the Fund:**

**Directors**

Frédéric Fasel  
Independent Director  
Luxembourg

Alexandre Ris  
Independent Director  
Bangkok

Michèle Berger  
Independent Director  
Luxembourg

Aurélien Mauguin  
Banque Pictet & Cie S.A.  
Geneva

**Management Company:** FundPartner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy  
L-1855 Luxembourg

**Board of Directors of the Management Company:** Marc Briol, Chairman  
CEO Pictet Asset Services  
Banque Pictet & Cie SA  
Geneva  
60, route des Acacias, CH-1211  
Geneva 73, Switzerland

Dorian Jacob, Managing Director  
Chief Executive Officer  
FundPartner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy  
L-1855 Luxembourg

Geoffroy Linard De Guertechin  
Independent Director  
15, avenue J.F. Kennedy  
L-1855 Luxembourg

<b>Conducting Officers of the Management Company:</b>	<p>Dorian Jacob, Managing Director Chief Executive Officer FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg</p> <p>Abdellali Khokha Conducting Officer in charge of Risk Management Conducting Officer in charge of Compliance FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg</p> <p>Pierre Bertrand Conducting Officer in charge of Fund Administration of Classic Funds and Valuation FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg</p> <p>Frédéric Bock Conducting Officer in charge of Fund Administration of Alternative Funds FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg</p>
<b>Investment Managers:</b>	<p>Banque Pictet &amp; Cie SA 60, route des Acacias CH-1211 Geneva 73 (hereinafter "BPSA")</p> <p>Pictet Asset Management S.A. 60-73, route des Acacias CF-1211, Geneva 73 (hereinafter "PAM") appointed jointly with BPSA for the compartment PWM Funds – Global REITs Selection</p>
<b>Depository Bank:</b>	<p>Pictet &amp; Cie (Europe) S.A. 15A, Avenue J.F. Kennedy L-1855 Luxembourg</p>
<b>Central Administration Agent:</b>	<p>FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg</p>
<b>Fund Auditor:</b>	<p>Deloitte Audit 20, Boulevard de Kockelscheuer L-1821 Luxembourg</p>

## LEGAL STATUS

PWM Funds (the "**Fund**") is an open-ended investment company (SICAV) under Luxembourg law, in accordance with the provisions of Part I of the Law of 17 December 2010 on undertakings for collective investment, as amended (the "**Law of 2010**").

The Fund was incorporated for an indefinite period on 26 April 2017 and its articles of association were published in the *Recueil Electronique des Sociétés et Associations* ("**RESA**") on 5 May 2017.

The Fund is registered in the Luxembourg Trade and Companies Register under No. B 214471.

At all times, the Fund's capital will be equal to the net asset value and will not fall below the minimum capital of EUR 1,250,000 required by law.

## OBJECTIVES AND STRUCTURE

The objective of the Fund is to offer investors access to a selection of markets worldwide and a variety of investment techniques through a range of specialised products ("**compartments**") within a single structure.

The board of directors ("**Board of Directors**") determines the investment policy for the various compartments. Risks will be spread broadly by diversifying investments over a large range of transferable securities and other eligible assets authorised by applicable laws, the choice of which shall not be limited - except under the terms of the restrictions specified in the section entitled "Investment Restrictions" below - neither in terms of regions, nor economic sectors, nor the type of transferable securities other eligible assets used.

The net assets constituting the assets of each compartment are represented by shares which may be of different classes or classes corresponding to (i) a specific distribution policy, such as eligible for distributions ("**Distribution Share**") or that are not eligible for distributions ("**Accumulation Share**") and/or (ii) addressed to different investors and/or (iii) with a specific management or advisory fee structure. If classes of shares are issued, the relevant information will be specified in Annex I to this prospectus.

All the shares representing the assets of a compartment form a share class. All the compartments together constitute the Fund.

The Board of Directors is authorised to create new compartments. A list of the compartments currently available is included in Annex I to this prospectus, with descriptions of their investment policies and key features.

This list is an integral part of the prospectus and will be updated whenever new compartments are created.

## MANAGEMENT AND ADMINISTRATION STRUCTURE

The Board of Directors is responsible for administering and managing the Fund and running its operations, as well as deciding on and implementing its investment policy.

Within the meaning of the Law of 2010, the Board of Directors may appoint a management company which may receive assistance in the management of the Fund's assets from one or more investment managers.

## THE MANAGEMENT COMPANY

FundPartner Solutions (Europe) S.A., a *société anonyme* ("public limited company by shares") with its registered office at 15 avenue J.F. Kennedy, Luxembourg, has been designated on with effect as of 26 April 2017 as the management company of the Fund (the "**Management Company**"), within the meaning of Chapter 15 of the Law 2010.

FundPartner Solutions (Europe) S.A. was established on 17 July 2010 for an indefinite period as a *société anonyme* ("public limited company by shares") governed by the laws of the Grand Duchy of Luxembourg. At the date of this prospectus, its capital is CHF 6,250,000.

The Management Company has instituted policies of remuneration for staff categories, including senior managers, risk-takers, those performing oversight functions and any employee receiving remuneration which falls within the range of remuneration for senior executives and risk-takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, which are compatible with sound and effective risk management and promote and do not encourage risk-taking that would be incompatible with the risk profiles, the Fund's articles of association and this prospectus and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund.

The Management Company's remuneration policies, its procedures and practices have been developed to be compatible and to promote sound and effective risk management. They have been developed to be compatible with the economic strategy, values and integrity and long-term interests of its clients, as well as those of the Pictet Group. The remuneration policies of the Management Company, its procedures and practices (i) include an evaluation of performance recorded over a multi-year period that is suitable in relation to the holding period recommended to the Fund's shareholders, in order to ensure that it is consistent with the long-term performance of the Fund and its investment risks and (ii) establish an appropriate balance between the fixed and variable components of total compensation.

The remuneration policies of the Management Company, including in particular but not exclusively, a description of the way in which remuneration and benefits are calculated, and the managers that deal with the assignment of remuneration and benefits, are available on [www.pictet.com](http://www.pictet.com). A hard copy document is available on request at the Management Company's registered office.

## MANAGEMENT ACTIVITY

The objective of the Management Company is to manage undertakings for collective investment in compliance with Directive 2009/65/EC, as amended. This management activity includes the portfolio management, administration and marketing of undertakings for collective investment such as the Fund.

The Management Company has primarily delegated the management of the Fund's compartments to Banque Pictet & Cie SA, 60 Route des Acacias, 1211 Geneva 73 ("**BPSA**"). This delegation is made according to the terms of the agreements concluded for an indefinite period that may be cancelled by either party at any time with 3 months' notice.

Founded in Geneva in 1805, Banque Pictet & Cie SA is today one of the largest European private bankers and a leading independent asset manager. With its headquarters in Geneva, in the heart of Europe, the Bank is also an international player, with no fewer than 20 centres worldwide.

BPSA and any other portfolio manager to which the Management Company may in the future delegate the management of compartments of the Fund shall be collectively referred to as "Investment Manager" in the general section of this prospectus, unless indicated otherwise.



**CENTRAL ADMINISTRATION AGENT**

The Management Company has undertaken to act as Central Administration Agent and, as such, to provide the Fund with certain administration services, including general administration, accounting and maintenance of all the accounts of the Fund, periodic determination of the Net Asset Value per Share, preparation and filing of financial reports of the Fund and intermediation with the Fund Auditor.

Furthermore, under the management company services agreement, the Management Company will act as business agent and domiciliary agent of the Fund.

The Management Company has also undertaken to provide the Fund with Central Administration Agent services. In this capacity, the Management Company is responsible for processing applications for shares, redemption and conversion requests, accepting the transfer of funds, as well as maintenance of the shareholder register of the Fund and certificates of all shares of the Fund that have not been issued.

**DEPOSITARY BANK**

Pictet & Cie (Europe) S.A. has been appointed as the Depositary Bank of the Fund under an agreement concluded for an indefinite period on with effect as of 26 April 2017. This agreement may be terminated by either party by giving 3 months' notice.

Pictet & Cie (Europe) S.A. is a *société anonyme* ("public limited company by shares") incorporated under Luxembourg law on 3 November 1989 for an indefinite period. At the date of this prospectus, its capital is CHF 70,000,000, fully paid up.

The Depositary Bank is a credit institution established in Luxembourg, whose registered office is located at 15A, avenue J.F. Kennedy, L-1855 Luxembourg and which is registered in the Luxembourg Trade and Companies Register under No. B32060. It is authorised to conduct banking activities in accordance with the Law of 5 April 1993 concerning the financial sector, as amended. The Depositary Bank undertakes to perform activities in the name of and in the interest of the Fund's shareholders relating to (i) the custody of liquidities and financial instruments that are included amongst the Fund's assets, (ii) the monitoring of cash flows, (iii) supervision duties and any other service that may be agreed from time to time and included in the agreements with the Depositary Bank.

Financial instruments the safekeeping of which may be carried out, may be held either directly by the Depositary Bank or, within the limits permitted by applicable laws and regulations, through third party depositaries/sub-depositaries that offer the same guarantees as the Depositary Bank (namely in the case of Luxembourg institutions, they are required to be credit institutions within the meaning of the Law of 5 April 1993 concerning the financial sector as amended or in the case of foreign institutions, they are required to be subject to regulations on prudential supervision that are equivalent to those provided for by applicable European legislation).

The Depositary Bank shall also ensure that there is adequate monitoring of the proper management of liquidity flows in relation to the Fund, and more specifically will ensure that all payments made by Fund shareholders or on their behalf when the purchase of Fund shares are made are properly received and that Fund monies have been accounted for in the cash accounts that have been opened in the name of (i) the Fund, (ii) the Management Company acting on behalf of the Fund or (iii) the Depositary Bank acting on behalf of the Fund.

The Depositary Bank must, in particular:

- ensure that shares are sold, issued, redeemed or cancelled by the Fund in accordance with the law in force and the Fund's articles of association;
- ensure that the calculation of the value of the Fund's shares is carried out in accordance with the law and the Fund's articles of association;

- carry out the instructions from the Fund, except where they are not compatible with the law or the Fund's articles of association;
- ensure that proceeds are remitted within the usual time limits for transactions relating to the Fund's assets; and
- ensure that the Fund's income is allocated in accordance with the Fund's articles of association.

The Depositary Bank shall provide the Fund and the Management Company with a complete inventory of the Fund's assets on a regular basis.

Pursuant to an agreement concluded with the Depositary Bank, the latter may, under certain conditions and in order to fulfil its duties in a more effective manner, delegate to one or more third-party delegates all or part of its custody duties with respect to Fund assets. These third-party delegates may be any affiliate of the Depositary Bank to which the asset custody duties have been delegated.

The Depositary Bank must act with all of the skill, care and diligence that is required when selecting the said third-party delegate and ensure that any third-party delegate possesses and maintains the required expertise and skill. The Depositary Bank must assess periodically whether the third party delegate is fulfilling legal and regulatory requirements and must conduct continuous supervision over third-party delegates to ensure that the obligations of the third-party delegates continue to be carried out in an appropriate manner.

The Depositary Bank's liability is not affected by the fact that it has entrusted the custody of part or all of the Fund's assets to such third-party delegates.

In the event of the loss of a financial instrument in custody, the Depositary Bank must deliver a financial instrument of an identical type or the corresponding amount to the Fund without unnecessary delay unless the Depositary Bank can prove that the loss is the result of an external event that is beyond its reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to avoid them.

An updated version of the list of appointed third-party delegates is available upon request at the Fund's registered office and on the Depositary Bank's website: <https://www.group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians>

In accordance with European Directive 2014/91/EU, the Depositary Bank and the Fund must ensure that where (i) the law of a third country requires that certain financial instruments be held in custody by a local entity and no local entities are subject to regulation (including with respect to capital adequacy) and effective prudential supervision and (ii) the Fund has instructed the Depositary Bank to delegate the custody of such financial instruments to such a local entity, the Fund's shareholders are duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints, of the circumstances justifying the delegation and of the risks involved in such a delegation.

In performing its duties, the Depositary Bank must act honestly, independently and solely in the interest of the Fund and of its shareholders.

Potential conflicts of interest may however arise from time to time, in relation to the services provided by the Depositary Bank and/or its delegates, other services provided to the Fund, the Management Company and/or other parties. As indicated above, the Depositary Bank's affiliates may also be appointed as third-party delegates of the Depositary Bank.

The potential conflicts of interest that have been identified between the Depositary Bank and its delegates and which are essentially fraud (failure to report irregularities to the authorities to avoid a bad reputation), the risk of legal action (reluctance or failure to act against the Depositary Bank), bias in making a selection (selection of Depositary Bank that is not based on quality and price), the risk of insolvency (limited standards in relation to separation of assets and the Depositary Bank's solvency) or the risk of exposure to a group (for intra-group investments). The Depositary Bank (or its delegates)

may, in carrying out its activities, encounter a conflict of interest or potential conflict of interest with the interests of the Fund and/or any other fund for which the Depositary Bank (or its delegates) is acting.

The Depositary Bank has established many kinds of situations that can potentially lead to a conflict of interest and has accordingly conducted an assessment of all activities performed in favour of the Fund, either by the Depositary Bank itself or by its delegates. This assessment has made it possible to identify potential conflicts of interest or conflicts of interest whose management in an appropriate fashion has been possible.

The details of these potential conflicts of interest listed above is available at the following links: [https://www.group.pictet/sites/default/files/2017-08/PAS\\_conflict\\_interest\\_UCITS5\\_en.pdf](https://www.group.pictet/sites/default/files/2017-08/PAS_conflict_interest_UCITS5_en.pdf)

The Depositary Bank conducts a re-assessment on a regular basis of the services and delegations that it conducts and that are conducted by its delegates that may give rise to conflicts of interest and will accordingly update this list.

If a conflict or a potential conflict of interest arises, the Depositary Bank must take its obligations to the Fund into account and must treat the Fund and the other funds for which it acts in an equitable manner, so that, within reason, all transactions will be carried out on the basis of predefined objective criteria and in the sole interest of the Fund and the Fund's shareholders. Such potential conflicts of interest are identified, managed and monitored in various ways including, but not limited to, the hierarchical and operational separation of the Depositary Bank's duties from its other duties which may potentially involve a conflict and through the Depositary Bank's compliance with its own policy governing conflicts of interest.

The Depositary Bank or the Fund may terminate the Depositary Bank's duties at any time, by giving at least three months' written notice to the other party, it being understood that any decision by the Fund to end the Depositary Bank's appointment is subject to another Depositary Bank taking on the duties and responsibilities of the Depositary Bank as defined in the articles of association, provided furthermore that, if the Fund terminates the Depositary Bank's duties, the Depositary Bank will continue to perform its duties until such time as the Depositary Bank has been relieved of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary Bank itself give notice to terminate the agreement, the Fund will similarly be required to appoint a new depositary bank to take over the duties and responsibilities of the Depositary Bank as set out in the articles of association, on the understanding that, as of the date when the notice of termination expires and until such time as a new Depositary Bank is appointed by the Fund, the Depositary Bank will only be required to take any necessary measures to safeguard the best interests of shareholders.

The Depositary Bank is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Fund's net assets and paid on a quarterly basis.

## **STATUTORY AUDITORS**

The duties of independent statutory auditors required by the Law of 2010 have been assigned to Deloitte Audit, 20, Boulevard de Kockelscheuer, L-1821 Luxembourg.

## **SHAREHOLDER RIGHTS**

### **SHARES**

Unless provided for otherwise in Annex I, the shares of each class are issued in registered form, without any par value and fully paid up. Fractions of registered shares may be issued up to a maximum of five decimal places. They are recorded in a shareholder register which is maintained at the Fund's registered office. Shares redeemed by the Fund will be cancelled. Holders of registered shares will only receive confirmation of their inclusion in the Fund shareholder register. Certificates will not be issued for registered shares.

All shares are freely transferable and entitle holders to an equal share in any profits, liquidation proceeds and dividends for the relevant class of shares.

Each share is entitled to a single vote. Shareholders will also be entitled to the general shareholders' rights provided for under the law of 10 August 1915 on commercial companies, as amended, with the exception of the preferential subscription right for new shares.

### **SHARE CLASSES**

The net assets forming each compartment are represented by shares, which may be of different classes of share. All the shares representing the assets of a compartment form a share class. All the compartments together constitute the Fund. If classes of shares are issued, the relevant information will be specified in Annex I to this prospectus.

The Management Company may decide, in the interest of the shareholders, that some or all of the assets belonging to one or more compartments of the Fund will be invested indirectly, through a company wholly controlled by the Management Company and which conducts the management activities exclusively for the benefit of the relevant compartment or compartments. For the purpose of this prospectus, references to "investments" and "assets" respectively mean either investments made and assets held directly or investments made and assets held indirectly by the agent of the aforementioned companies.

In the event that a subsidiary company is used, this will be specified in the annex of the relevant compartment(s).

The Board of Directors is authorised to create new compartments. A list of the compartments currently available is included in Annex I to this prospectus, with descriptions of their investment policies and key features.

This list is an integral part of the prospectus and will be updated whenever new compartments are created.

For each share class, the Board of Directors may also decide to create two or more classes whose assets will generally be invested in accordance with the specific investment policy of the relevant class. However, the classes may differ in terms of their specific subscription and/or redemption fee structures, specific exchange rate hedging policies, specific distribution policies and/or specific management or advisory fees, or other specific features applicable to each class. When necessary, this information is specified in Annex I to this prospectus.

The shares issued in a currency other than the reference currency of the compartment may be hedged against the reference currency of the relevant compartment, as indicated in Annex I to this prospectus.

There can however be no assurance or guarantee that the currency hedging strategy will be successfully implemented for those shares at any time or at all. Furthermore, investors should note that there may be occasions when the shares are either under-hedged or over-hedged which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per share and/or currency volatility.

### **ANNUAL GENERAL MEETING**

The Annual General Meeting is held every year at the Fund's registered office or at any other location in Luxembourg, as specified on the convocation.

The Annual General Meeting will be held on the fourth Wednesday in April, or if that day is a holiday, the following business day.

If no publications are required by law or imposed by the Board of Directors, notices to shareholders may be communicated by registered mail, e-mail or any other means permitted by law. Notices of all meetings for which a publication is otherwise required will be published in the Wort or such other

newspaper as the Board of Directors shall from time to time determine and in the RESA at least fifteen (15) calendar days prior to the meeting. Such notices will include the agenda of the meeting and specify the conditions of admission (if any).

All decisions by shareholders regarding the Fund will be taken at the Annual General Meeting of all shareholders, pursuant to the provisions of the articles of association and Luxembourg law. All decisions that only concern the shareholders of one or more compartment(s) may be taken, to the extent that authorised by law, by the shareholders of the relevant compartments. In this case, the quorum and majority requirements stipulated in the articles of association will apply.

The Fund emphasises that investors can only fully exercise their investor rights directly with respect to the Fund (in particular the right to participate in the general meetings of the shareholders), when the investor himself appears, in his own name, in the shareholder register of the Fund. In cases when an investor has invested in the Fund through an intermediary investing in the Fund in his own name but on behalf of the investor, certain rights attached to the investor status cannot necessarily be directly exercised by the investor with respect to the Fund. Investors are advised to inform themselves with respect to their rights.

### VALUATION DAY

The net asset value is calculated for each compartment on the basis of the last known price and at intervals that may vary for each compartment and which are indicated for each compartment set out in Annex I to the prospectus (hereinafter "**Valuation Day**").

### SUBSCRIPTIONS

A list of the compartments that are already in operation is included in Annex I to this prospectus.

Subscriptions to shares in each compartment in operation will be accepted at their issue price, as defined in the following section "Issue Price", at the counters of the Central Administration Agent and all other institutions duly authorised to this end by the Fund and/or the Management Company.

Provided that the securities contributed comply with the investment policy, shares may be issued in return for a contribution in kind, which will be the subject of a valuation report prepared by the Fund's auditor. This report will be available for inspection at the Fund's registered office.

For any subscription received by the Central Administration Agent on or before 4:00 p.m. on the Luxembourg business day preceding a valuation day (or such other time for a compartment set out in Annex I to this prospectus), the net asset value calculated for that valuation day will be applicable.

For any subscription received by the Central Administration Agent after the deadline of 4:00 p.m. on the Luxembourg business day preceding a valuation day (or such other time for a compartment set out in Annex I to this prospectus), the applicable net asset value will be determined on the next Valuation Day.

Payment of the issue price is made by remittance or transfer in the currency of the relevant compartment within five Luxembourg business days following the applicable valuation day to the account of Pictet & Cie (Europe) S.A. or of the foreign agents involved as part of marketing the Fund abroad, on behalf of the Fund with reference to the relevant compartment(s).

**Anti-money laundering legislation** - In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended ("**Law of 2004**")), the Grand-Ducal Regulation dated 1 February 2010, as well as circulars and regulations of the supervising authority), obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from occurrences of money laundering and financing of terrorism. As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg

laws and regulations. Accordingly, the Central Administration Agent may require subscribers to provide any document it deems necessary to effect such identification. The Central Administration Agent, as delegate of the Fund, is also obliged to identify any beneficial owners of the investment. The requirements apply to both subscriptions made directly to the Fund and indirect subscriptions received from an intermediary or nominee. In case of a subscription by an intermediary and/or nominee acting on behalf of its customer, enhanced customer due diligence measures on this intermediary and/or nominee will be applied in accordance with the Law of 2004 and CSSF Regulation 12-02 of 14 December 2012. In this context, investors must inform without delay the Central Administration or the Fund when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Central Administration Agent or intermediary and/or nominee remains accurate and up-to-date.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Fund nor the Management Company, nor the Central Administration Agent will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The Management Company, as delegate(s) of the Fund, shall ensure that due diligence measures on the Fund's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

### **ISSUE PRICE**

The issue price for shares in each compartment is equal to the net asset value of one share in the relevant compartment, calculated on the first valuation day following the subscription date (with the exception of the initial issue price of any new share classes, which will be equal to 100 EUR (or 100 in the reference currency of the relevant share class), unless otherwise indicated for a specific share class in the annex of the relevant compartment. The placement fee that any professional intermediaries can charge their clients subscribing shares of the Fund may not exceed 5% of the net asset value of the share, as further detailed in Annex I to this prospectus.

This issue price will be increased to cover any duties, taxes and stamp duties due.

### **FEES AND COMMISSIONS LEVIED BY THE LOCAL PAYING AGENTS**

Investors should note that when a compartment is distributed abroad, the regulations in force in some jurisdictions may require the presence of a local paying agent. In this case, investors domiciled in these jurisdictions may be required to bear the fees and commissions levied by the local paying agents.

### **REDEMPTIONS**

Shareholders are entitled to apply for the redemption of some or all of their shares at any time based on the redemption price as stipulated in the section entitled "Redemption Price" below, by sending the Central Administration Agent or other authorised institutions an irrevocable redemption request.

The Board of Directors may subject the redemption of shares of some compartments to specific prior notice requirements triggered by the investment policy of the relevant compartment. In this case, the specific prior notice requirements will be provided in the description of the compartment set out in Annex I to this prospectus.

For any redemption request received by the Central Administration Agent on or before 4:00 p.m. on the Luxembourg business day preceding a valuation day (or such other time for a compartment set out in Annex I to this prospectus), the net asset value calculated on that valuation day will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 4:00 p.m. on the Luxembourg business day preceding a valuation day (or such other time for a compartment set out in Annex I to this prospectus), the applicable net asset value will be determined on the next valuation day.

If, following redemption or conversion requests, it is necessary on a given valuation day to redeem more than 10% of the shares issued in a compartment, the Board of Directors may decide that all redemptions in excess of the 10% threshold will be deferred until the next valuation day for the relevant compartment. On that valuation day, redemption or conversion applications that have been deferred (and not withdrawn) will have priority over redemption and conversion applications received for that valuation day (which have not been deferred).

The countervalue of the shares submitted for redemption will be paid by bank transfer in the currency of the compartment (or such other currency permitted by the Board of Directors at its sole discretion) within five Luxembourg business days following the date of calculation of the net asset value applicable to the redemption (see section "Redemption Price" below).

### **REDEMPTION PRICE**

The redemption price for shares in each compartment is equal to the net asset value of the relevant share in that compartment, calculated as of the Valuation Day for which the redemption request has been received.

A redemption fee paid to the relevant compartment may be deducted from this amount, representing up to 5% of the net asset value per share.

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

The redemption price may be higher or lower than the subscription price, depending on changes in the net asset value.

### **CONVERSION**

Within the access conditions defined for each class of shares, unless otherwise provided for in Annex I, any shareholder may request the conversion of all or part of his shares into shares of another class of the same compartment or of another compartment, determined on the basis of the net asset values calculated at the applicable valuation days for the relevant classes/compartments.

For any conversion request received by the Central Administration Agent in Luxembourg before 4:00 p.m., the net asset values applicable will be those calculated as of the valuation day of the relevant classes/compartments for which the conversion request has been received.

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

The Central Administration Agent calculates the net asset value, as well as the issue, redemption and conversion prices for shares for each compartment in the currency of the relevant class/compartment, on the basis of the last known prices and at intervals which may vary for each compartment and are indicated in Annex I to this prospectus.

The net asset value of a share of each compartment will be calculated by dividing the net assets of the relevant compartment by the compartment's total number of shares in circulation. A compartment's net assets correspond to the difference between its total assets and total liabilities.

If various classes of shares are issued in a given compartment, the net asset value of each class of shares in this compartment will be calculated by dividing the total net asset value (calculated for the relevant compartment and attributable to this class of shares) by the percentage of the total net asset value of the compartment attributable to this class of shares.

The percentage of the total net asset value of the relevant compartment that can be attributed to each class of shares, which was initially identical to the percentage of the number of shares represented by the relevant class of shares, changes with the dividend distributions made in connection with distribution shares and the management fees which may vary depending on the class of shares as follows:

- a. if a dividend or any other distribution is paid out for distribution shares, the total net assets attributable to this class of shares will be reduced by the amount of this distribution (thereby reducing the percentage of the total net assets of the relevant compartment that is attributable to the distribution shares) and the total net assets attributable to accumulation shares will remain identical (thereby increasing the percentage of the compartment's total net assets attributable to the accumulation shares);
- b. if the capital of the relevant compartment is increased through the issue of new shares in one of the classes, the total net assets attributable to the relevant class of shares will be increased by the amount received for this issue;
- c. if the shares of the relevant compartment are redeemed by a class, the total net assets attributable to the corresponding class of shares will be reduced by the price paid for the redemption of these shares;
- d. if the shares of a class are converted into shares of another class, the total net assets attributable to this class will be reduced by the net asset value of the shares converted, while the total net assets attributable to the relevant class will be increased by the same amount;
- e. in case of the provision and payment of management fees that vary according to class of shares.

The total net assets of the Fund will be denominated in euro and correspond to the difference between the total assets and the total liabilities of the Fund. For the purposes of this calculation, if the net assets of a compartment are not denominated in euro, they will be converted to euro and added together.

The value of these assets shall be determined as follows:

- a. The value of cash in hand or at bank, notes and bills payable at sight and accounts receivable, prepaid expenses, dividends and interest declared or due but not yet received, shall consist of the nominal value of these assets, unless it appears unlikely that this value will be received; in the latter case, the value shall be determined by deducting an amount the Fund deems appropriate to reflect the fair value of those assets.
- b. The value of assets listed or traded on a Regulated Market, a stock exchange of an Other State or any Other Regulated Market (as these terms are defined in the section entitled "Eligible Investments") will be determined according to their last known price on the valuation day, otherwise in the absence of any transaction, according to the last known price at that time on the market which is normally the principal market for these assets.
- c. If the assets are not listed or traded on a Regulated Market, a stock exchange of an Other State or any Other Regulated Market, or if no price is available for the portfolio holdings on the valuation day or if the price as determined pursuant to paragraph (b) is not representative of the true value of these assets, these assets will be valued based on their probable realisation value estimated prudently and in good faith by the Board of Directors.
- d. Units/shares of open-ended undertakings for collective investment will be valued based on the last known net asset value, or if the price determined is not representative of the actual value of these assets, the price will be determined by the Board of Directors in a fair and equitable manner. Units/shares of closed-end undertakings for collective investment are valued based on their last available market value.
- e. Money Market Instruments not listed or traded on a Regulated Market, a stock exchange of an Other State or any other Regulated Market and whose residual maturity does not exceed twelve



months will be valued at their nominal value plus any accrued interest; the aggregate value is amortised using straight-line amortisation.

- f. Forward agreements and option agreements not traded on a Regulated Market, a stock exchange of an Other State or any Other Regulated Market are valued at their liquidation value determined in accordance with the rules established in good faith by the Board of Directors and according to uniform criteria set out for each type of agreement. Forward agreements and option agreements traded on a Regulated Market, a stock exchange of an Other State or any Other Regulated Market will be valued based on the closing or settlement prices published by the Regulated Market, stock exchange of an Other State or Other Regulated Market on which the relevant agreements are principally traded. If a forward agreement or option agreement cannot be liquidated on the valuation day of the relevant net assets, the criteria for determining the liquidation value of the forward or option agreement will be set by the Board of Directors in a fair and equitable manner.
- g. The amounts paid out and received under swap agreements are discounted at the valuation day at the zero-coupon swap rate for the flows at maturity. The value of the swaps results from the difference between these two discounted flows.
- h. All other assets will be valued based on their probable realisation value estimated prudently and in good faith by the Board of Directors.

For each compartment, securities denominated in a currency other than the currency of that compartment will be converted into that currency at the average price between the latest bid and ask prices known in Luxembourg or, failing that, on the place that is most representative market for these securities.

The Board of Directors is authorised to adopt any other appropriate principles for valuing the Fund's assets if extraordinary circumstances make it impossible or inappropriate to calculate the values based on the above criteria.

In the case of significant subscription or redemption requests, the Board of Directors may value the shares based on the prices of the stock exchange or market session in which it was able to make the necessary acquisitions or sales of securities on behalf the Fund. In this case, a single method of calculation will be applied to all subscription or redemption requests submitted at the same time.

The actual cost of purchasing or selling the underlying investments of a compartment may be different from the carrying value of these investments in the compartment's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying and selling prices of the underlying investments.

These dilution costs can have an adverse effect on the overall value of a compartment and thus the net asset value per share may be adjusted in order to avoid disadvantaging the value of investments for existing shareholders. The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the compartment.

### **SUSPENSION OF CALCULATION OF THE NET ASSET VALUE, SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS**

The calculation of the net asset value, and the issue, redemption and conversion of the shares of one or more compartments may be suspended in the following cases:

- When one or more stock exchanges or markets on which a significant percentage of the Fund's assets are valued or one or more foreign exchange markets in the currencies in which the net asset value of shares is expressed or in which a substantial portion of the Fund's assets is held, are closed, other than for normal holidays or if dealings on them are suspended, restricted or subject to major fluctuations in the short term.

- When, as a result of political, economic, military, monetary or social events, strikes or any cases of force majeure outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the interests of the shareholders.
- When there is a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or if, for whatever reason, the value of an asset in the Fund cannot be calculated as promptly or as accurately as required.
- When, as a result of currency restrictions or restrictions on the movement of capital, transactions for the Fund are rendered impracticable, or when purchases or sales of the Fund's assets cannot be carried out at normal rates of exchange.
- Upon the occurrence of an event resulting in the liquidation of the Fund or of one of its compartments.

In such cases, shareholders who have submitted applications to subscribe, redeem or convert shares in compartments affected by the suspension measures will be notified.

The Fund may, at any time and at its discretion, suspend, permanently cease or limit the issue of shares in one or more compartments to natural or legal entities resident or domiciled in certain countries or territories. It may also prohibit them from acquiring shares if such a measure is deemed necessary to protect all shareholders and the Fund.

Moreover, the Fund reserves the right to:

- a. reject any application to subscribe for shares, at its discretion;
- b. redeem shares acquired or hold in breach of an exclusion measure as detailed in the articles of association, at any time, as well as the shares held by a shareholder who does not or no longer meets the requirements for the purchase or retention of shares of a particular compartment, as specified in Annex I on this compartment.

The Fund does not allow practices associated with market timing and reserves the right to reject any subscription and conversion orders from any investor suspected of such practice. It will also take all necessary steps to protect investors in the Fund.

For the reasons detailed in section "17. Tax Status" below, the Fund's shares may only be offered, sold, transferred or delivered to investors who are (i) participating foreign financial institutions ("PFFIs"), (ii) foreign financial institutions deemed compliant ("deemed-compliant FFIs"), (iii) foreign financial institutions subject to an intergovernmental agreement and not subject to information obligations under the US Foreign Account Tax Compliance Act "FATCA" ("non-reporting IGA FFIs"), (iv) exempt beneficial owners, (v) active non-financial foreign entities ("Active NFFEs"), or (vi) non-specified US persons, as those terms are defined according to FATCA, the final regulations relating FATCA published by the US tax administration ("US Internal Revenue Service") on 17 January 2013 (the "final US FATCA regulations") and/or the applicable Intergovernmental Agreement ("IGA") concerning the implementation of FATCA. Investors not compliant with FATCA may not hold shares of the Fund and the shares may be compulsorily redeemed if this is considered appropriate for the purposes of ensuring compliance of the Fund with FATCA.

Investors must provide proof of their FATCA status through all relevant tax documents, including the "W-8BEN-E" form from the US Internal Revenue Service, which must be regularly renewed according to applicable regulations.

### **DISTRIBUTION OF INCOME**

The Board of Directors reserves the right to introduce a distribution policy that may vary between compartments and classes of shares in issue (accumulation shares and distribution shares).

Each distribution policy will be defined in Annex I to this prospectus.

For compartments that do not have classes of shares, the income will be capitalised; however the Board of Directors reserves the right to introduce an income distribution policy. In this case, any dividends will be payable following a decision by the Board of Directors within 6 months from the closing date.

In addition to the aforementioned distributions, the Fund may decide to distribute interim dividends.

No income will be distributed if the Fund's net assets after distribution fall below EUR 1,250,000.

Dividends and allocations not claimed within five years of their payment date will lapse and revert to the corresponding compartment.

### **DILUTION LEVY**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the shareholders' interest in the Fund. In order to prevent this effect, called "dilution", a "dilution levy" may be charged on the issue, redemption and/or conversion of shares. If charged, the dilution levy will be paid into the relevant compartment and will become part of the relevant compartment; it will be further applied to all related transactions processed as of that net asset value.

The dilution levy for each compartment will be calculated by reference to the costs of dealing in the underlying investments of that compartment, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. A discretionary dilution levy may be charged on the issue, redemption and/or conversion of shares the existing shareholders (for issues) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

1. where a compartment is in constant decline (large volume of redemption requests);
2. on a compartment experiencing substantial issues in relation to its size;
3. in the case of "large volumes" of redemptions, subscriptions and /or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the compartment's entire assets;
4. in all other cases where the Management Company considers the interests of shareholders require the imposition of a dilution levy.

In any case the dilution levy shall not exceed 1% of the net asset value per share.

### **FUND EXPENSES**

#### **Management fee**

An annual management company fee will be paid to the Management Company on a quarterly or monthly basis, depending on the terms of the agreements, in remuneration for the Management Company services that it provides to the Fund. Details of the Management Company fee are specified for each compartment set out in Annex I to this prospectus. The Management Company is further entitled to be reimbursed for its external valuation expenses costs, due diligence costs and other out of pocket expenses.

Unless otherwise specified in respect of each compartment set out in Annex I to this prospectus, the Investment Manager will be remunerated out of the assets attributable to each share class within a compartment with a fee of up to 2.5% p.a. subject to the application of a minimum amount which would be disclosed in the agreement between the Fund, the Management Company and the Investment Manager.

**Other expenses**

Other expenses charged to the Fund will include:

- a. All taxes and duties that may be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (0.05% p.a.) on the Fund's net assets. This tax will however be reduced to 0.01 % for assets relating to shares reserved for institutional investors.
- b. Fees and charges related to transactions involving securities in the portfolio.
- c. The remuneration of the Depositary Bank and its delegates.
- d. Reasonable fees and expenses incurred by the Central Administration Agent, which are payable quarterly.
- e. The cost of exceptional measures, particularly expert appraisals or legal proceedings undertaken to protect the interests of the shareholders.
- f. The cost of preparing, printing and filing administrative documents, prospectuses and explanatory reports with all authorities and official bodies, fees payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodic reports and other documents required by law or regulations, the cost of preparing, distributing and publishing reports for shareholders, fees for legal consultants, experts and independent auditors, and any similar operating expenses including in particular advertising costs and expenses directly related to the offer or distribution of shares.
- g. Formation expenses and those relating to sales have been amortised over a maximum period of five years.
- h. Remuneration of directors and directors' fees.

The Depositary Bank and the Central Administration Agent will be remunerated in accordance with customary practice in the Luxembourg financial market. Their remuneration is based on the total net asset value of the Fund. It is payable quarterly and may not exceed in aggregate 1.5% p.a. of the net assets of the Fund (unless otherwise specifically provided for in Annex I to this prospectus and subject to the possible application of a minimum to a compartment, which will be provided for in the agreements with the Depositary Bank and the Central Administration Agent).

All recurring expenses will be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets. All other expenses may be amortised over a maximum of five years.

When calculating the net asset values of the various compartments, expenses will be divided among the compartments (or the share class) in proportion to the net assets of these compartments, unless these expenses relate to a specific compartment (or the share class), in which case they will be allocated to that compartment.

**TAX STATUS**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

## Taxation of the Fund

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The compartments are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% *per annum* is however applicable to any compartment whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% *per annum* is also applicable to any compartment or share class provided that their shares are only held by one or more institutional investors within the meaning of Article 174 of the Law of 2010 (an "**Institutional Investor**").

A subscription tax exemption applies to:

- The portion of any compartment's assets (*prorata*) invested in a Luxembourg investment fund or any of its compartment to the extent it is subject to the subscription tax;
- Any compartment (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several share classes are in issue in the relevant compartment meeting (ii) to (iv) above, only those share classes meeting (i) above will benefit from this exemption;
- Any compartment, whose main objective is the investment in microfinance institutions;
- Any compartment, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several share classes are in issue in the relevant compartment meeting (ii) above, only those share classes meeting (i) above will benefit from this exemption; and
- Any compartment only held by pension funds and assimilated vehicles.

## Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

## Taxation of the Shareholders

### Luxembourg-resident individuals

Capital gains realised on the sale of the shares by Luxembourg-resident individual Investors who hold the shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the shares are sold within 6 months from their subscription or purchase; or

- (ii) if the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Fund.

Distributions received from the Fund will be subject to Luxembourg personal income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective marginal tax rate of 45.78%.

### **Luxembourg-resident corporate**

Luxembourg-resident corporate Investors will be subject to corporate taxation at the rate of 24.94% (in 2021 for entities having their registered office in Luxembourg City) on capital gains realised upon disposal of shares and on the distributions received from the Fund.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the Law of 17 December 2010 on undertakings for collective investment, as amended, (ii) a specialised investment fund subject to Law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds, or (iv) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The shares shall be part of the taxable net wealth of the Luxembourg-resident corporate investors except if the holder of the shares is (i) a UCI subject to the Law of 17 December 2010 on undertakings for collective investment, as amended, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the Law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### **Non-Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the shares nor on the distribution received from the Fund and the shares will not be subject to net wealth tax.

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive will apply for the first time by 30 September 2018 for the calendar year 2017, i.e. the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003, as amended (the "**Savings Directive**"), will apply for one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Fund in the data protection section of the prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the exchange of information will be applied by 30 September of each year for information related to the preceding calendar year. Under the Euro-CRS Directive, the AEOI must be applied by 30 September of each year to the local tax authorities of the Member States for the data relating to the preceding calendar year.

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

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

#### **FATCA**

The FATCA, a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund and/or the management company, in its capacity as the Fund's management company, may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of an investors' FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status;
- b. report information concerning an investor and his/her/its account holding in the Fund to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Investors with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to an investor by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law and such other purposes indicated by the Fund in the prospectus in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). Responding to FATCA-related questions is mandatory. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Fund at its registered office to exercise their right.

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

### **PROCESSING OF PERSONAL DATA**

The Fund and FundPartner Solutions (Europe) S.A. (the "**Controllers**") jointly process information relating to several categories of identified or identifiable natural persons (including, in particular but not only, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controllers directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed and updated information regarding this processing of Data by the Controllers is contained in a privacy notice (the "**Privacy Notice**"). All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Investment Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controllers in general may be addressed to the registered office of the Fund for the attention of the Board of Directors.

### **OBTAINING AND ACCESSING THE PRIVACY NOTICE**

The Privacy Notice is attached to this prospectus as Annex III.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing; and where applicable the categories of Data processed, from which



source the Data originate, and the existence of automated decision-making, including profiling;

- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "**Processors**") are processing the Data on behalf of the Controllers; that the Processors include the majority of the service providers of the Controllers; and that Processors shall act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controllers and the Processors for several purposes (the "**Purposes**") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Fund, (ii) enabling the Processors to perform their services for the Fund, and (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Fund, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controllers; that they may be notified of any change to or update of the Privacy Notice by any means that the Controllers deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controllers any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controllers; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controllers of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controllers harmless for and against adverse consequences arising from any breach of the foregoing.

### **BENCHMARK REGULATION**

In accordance with the provisions of Regulation (EU) 2016/1011 of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"), supervised entities may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to

Article 36 of the Benchmark Regulation (the "**Register**"). Benchmark administrators located in the EU whose indices are used by the Fund but whose application for registration on the Register is pending may not yet appear on the Register. Benchmark administrators located in a third country whose indices are used by the Fund must comply with the third country regime provided for in the Benchmark Regulation. Benchmark administrators whose indices are used by the Fund are detailed in the description of the compartments.

The Management Company maintains a written plan setting out the actions that will be taken in the event that an index materially changes or ceases to be provided. The written plan is available upon request and free of charge at the registered office of the Management Company.

**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 ("SFDR")**

The Management Company analyses sustainability risks as part of its risk management process.

The Management Company and the relevant Investment Managers identify, analyse and integrate sustainability risks in their investment decision-making process as they consider that this integration could help enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the compartments.

Sustainability risks mean an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a compartment's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

The Investment Managers consider that sustainability risk are likely to have a moderate impact on the value of the compartments' investments in the long term.

In case sustainability risks are not considered to be relevant for a specific compartment this will be disclosed.

The Management Company does not consider principal adverse impacts of investment decisions on sustainability factors at the entity level. Nevertheless, the Management Company expects transparency of adverse sustainability impacts at compartment level. In particular, compartments disclosing under Article 9 are expected to disclose the principal adverse impacts of investment decisions referred to in Article 7 SFDR even though it is not mandatory, due to the requirements of DNSH disclosures for sustainable investments in the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing SFDR (the "**SFDR Delegated Regulation**") which requires the disclosure of how the indicators for adverse impacts in Annex I of the SFDR Delegated Regulation have been taken into account and because Article 9 SFDR products should only make sustainable investments. The Management Company will monitor the process of identification and assessment of the principal adverse impacts made by the Investment Managers.

Additional ESG considerations applicable to certain compartments are contained in Annex II to this prospectus.

**REGULATION (EU) 2020/852) ON THE ESTABLISHMENT OF A FRAMEWORK TO FACILITATE SUSTAINABLE INVESTMENT ("Taxonomy Regulation" or "Taxonomy")**

The Taxonomy Regulation amended the SFDR Regulation in order to include the additional pre-contractual and periodic disclosure requirements contained (i) in Articles 5 and 6 of Taxonomy that will apply to Article 8 and Article 9 SFDR compartments investing in sustainable investments (in the meaning of article 2(17) SFDR) consisting of economic activities that contribute to environmental objectives covered by the Taxonomy Regulation and (ii) in Article 7 of Taxonomy that will apply to all compartments not subject to Article 8 or 9 SFDR.

**FINANCIAL YEAR**

The Fund's financial year begins on 1 January and ends on 31 December.

**PERIODIC REPORTS AND PUBLICATIONS**

The Fund will publish audited annual reports within four months of the end of the financial year and un-audited semi-annual reports within two months of the end of the reference period.

The annual report includes the financial statements for the Fund and each compartment.

These reports will be made available to shareholders at the Fund's and the Management Company's registered office and from the Depository Bank and other institutions that it designates.

The net asset value per share of each compartment and the issue and redemption price are available from the Depository Bank.

Any amendment to the articles of association will be published in the RESA of the Grand Duchy of Luxembourg.

**DURATION - MERGER - DISSOLUTION OF THE FUND AND COMPARTMENTS****THE FUND**

The Fund is formed for an indefinite period. However, the Board of Directors may at any time move to dissolve the Fund at an extraordinary general meeting subject to the quorum and voting requirements provided for by Luxembourg law.

If the Fund's share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of dissolution to the annual general meeting, deliberating without any quorum and deciding by a simple majority of the shares represented at the meeting.

If the Fund's share capital is less than a quarter of the minimum capital required, the directors must refer the matter of dissolution of the Fund to the annual general meeting, deliberating without any quorum; dissolution may be decided by shareholders holding a quarter of the shares represented at the meeting.

In the event of the dissolution of the Fund, the liquidation will be carried out pursuant to the provisions of the Law of 2010, which defines the procedures to enable shareholders to benefit from liquidation distributions and in this context provides for the depositing of any amount that could not be distributed to shareholders when the liquidation is complete with the *Caisse de Consignation* in Luxembourg. The net proceeds from the liquidation shall be distributed to the shareholders in proportion to the number of shares they hold. Amounts not claimed from escrow within the prescribed period would be liable to be forfeited in accordance with the provisions of the laws of the Grand Duchy of Luxembourg. Any amount transferred to the *Caisse de Consignation* is subject to a "taxe de consignation" and as a consequence, the initial amount might not be refunded.

## MERGER OF COMPARTMENTS

Any merger of a compartment shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of shareholders of the relevant compartment. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more compartments where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of the votes cast. In addition, the provisions on mergers of UCITS set forth in the Law of 2010 and any implementing regulation (relating in particular to the notification of the shareholders) shall apply.

## LIQUIDATION OF COMPARTMENTS

If the net assets of any compartment are at any time below EUR 5 million or the equivalent thereof in the currency of the relevant compartment, or if a change in the economic or political situation relating to the relevant compartment would justify such liquidation or if it is required by the interests of the shareholders of the relevant compartment, the Board of Directors may decide to liquidate such compartment and redeem all outstanding shares. Notice of such liquidation will be sent to the registered investors. The price at which shares will be redeemed will be the net asset value per share of such compartment determined upon realisation of all assets attributable to such compartment. Assets which could not be distributed to their beneficiaries upon the close of the liquidation period of the compartment will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries. Any amount transferred to the *Caisse de Consignation* is subject to a "taxe de consignation" and as a consequence, the initial amount might not be refunded.

The Board of Directors may decide to liquidate a compartment if the net assets of such compartment fall below EUR 5 million or if a change in the economic or political situation relating to the relevant compartment would justify such liquidation or if it is required by the interests of the shareholders of the relevant compartment. The decision of the liquidation will be published or notified, if appropriate, by the compartment prior to the liquidation and the publication and/or notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the relevant compartment may continue to request sale or switch of their shares.

## DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited at the registered office of the Fund and the Management Company:

- 1) the prospectus;
- 2) the key investor information documents (the "**KIID**");
- 3) the Fund's articles of association;
- 4) the Fund's annual and semi-annual reports;
- 5) the Management Company agreement between the Fund and the Management Company;
- 6) the Depositary Bank agreement entered into between the Fund and Pictet & Cie (Europe) S.A.;
- 7) the investment management agreement between the Management Company and BPSA; and
- 8) the investment management agreement between the Management Company and PAM.

## INVESTMENT RESTRICTIONS

The Board of Directors has adopted the following investment restrictions regarding the assets of the Fund and its activities. Except to the extent that more restrictive rules are provided for with respect to a particular compartment as more fully described in the relevant annex below, the investment policy must comply with these investment restrictions. These restrictions may be modified by the Board of Directors if it considers it be in the best interest of the Fund, in which case the prospectus will be amended.

The investment restrictions imposed by Luxembourg law must be respected in each compartment. The restrictions mentioned in paragraph 1 (E) below apply to the Fund as a whole.

## ELIGIBLE INVESTMENTS

### Definitions

**"Other State"**: any State of Europe which is not a Member State and any State of America, Africa, Oceania, Asia, Australia and Oceania and, if applicable, of the OECD ("Organisation for Economic Cooperation and Development").

**"Other Regulated Market"**: a regulated market that operates regularly, is recognised and open to the public, i.e. (i) which meets cumulatively the following criteria: liquidity, multilateralism in order matching (general matching of supply and demand for the establishment of a single price), transparency (dissemination of a maximum of information providing order makers the opportunity to follow the progress of the market to ensure that their orders have been treated at current conditions), (ii) whose securities are traded at a certain fixed frequency, (iii) which is recognised by a state or public authority benefiting from authorisation from that state or by another entity such as an association of professionals recognised by that state or by that public authority, and (iv) on which the securities traded must be accessible to the public.

**"UCITS Directive"**: Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU.

**"Member State"**: any member state of the European Union.

**"Money Market Instruments"**: instruments normally dealt in on the money market which are liquid and which have a value that can be accurately determined at any time.

**"Regulated Market"**: A regulated market as defined in the directive 2014/65/EU of 15 May 2014 on markets in financial instruments (Directive 2014/65/EU), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2014/65/EU and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

**"UCITS"**: an undertaking for collective investment in transferable securities within the meaning of Article 1(2) of the UCITS Directive.

A.

1. The Fund's investments shall consist solely of the following:
  - a) transferable securities and Money Market Instruments listed or traded on a Regulated Market; and/or

- b) transferable securities and Money Market Instruments traded on any Other Regulated Market of a Member State; and/or
- c) transferable securities and Money Market Instruments admitted to official listing market of a stock exchange in an Other State or traded on any Other Regulated Market of an Other State; and/or
- d) recently issued transferable securities and Money Market Instruments if the terms of issue provide that an application will be made for the admission of these securities to official listing on a Regulated Market, a stock exchange in an Other State or Other Regulated Market as mentioned above under a) to c) and that such admission is secured within a period of one year from the issue; and/or
- e) shares or units of UCITS or other undertakings for collective investment within the meaning of Article 41 (1) e) of the Law of 2010 ("UCI") located in a Member State or an Other State, provided that:
  - such other UCIs are approved in compliance with laws stipulating that the entities are subject to supervision that the Luxembourg supervisory authority considers to be equivalent to that laid down by EU legislation and that cooperation between the authorities is adequately guaranteed (currently Canada, Hong Kong, Japan, Norway, Switzerland and the United States of America);
  - the level of protection guaranteed to holders of shares or units of such other UCIs is equivalent to that provided for holders of shares or units of a UCITS and, in particular, that the rules relating to the separation of assets, borrowings, loans, short sales of transferable securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the activities of these other UCIs are reported in semi-annual and annual reports that enable the valuation of assets and liabilities, income and operations for the relevant period;
  - not more than 10% of the assets of the UCITS or the other UCIs whose acquisition is under consideration may be invested globally in units or shares of other UCITS or other UCIs, in conformity with their constitutive documents.
- f) Deposits with credit institutions redeemable on request or which can be withdrawn and whose maturity is twelve months or less, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is located in an Other State, is subject to the prudential rules considered to be equivalent to those provided for under EU legislation;
- g) derivative financial instruments, in particular options and forward agreements, including similar instruments allowing cash settlements, that are traded on a Regulated Market, a stock exchange of an Other State or on an Other Regulated Market of the type specified in points (a) to (c) above, and/or over-the-counter derivative financial instruments ("OTC derivative instruments"), provided that:
  - the underlying consists of instruments allowed under this section A(1), financial indexes, interest rates, exchange or currency rates, in which the Fund may invest in conformity with its investment objectives;
  - the counterparties to transactions involving OTC derivative instruments are institutions subject to prudential supervision and belong to categories approved by the Luxembourg supervisory authorities; and
  - the OTC derivative instruments are reliably and verifiably valued on a daily basis and can be, on the initiative of the Fund, sold, liquidated or closed out through a symmetrical transaction, at any time and at their fair value;

and/or

h) Money Market Instruments other than those traded on a Regulated Market or on an Other Regulated Market, provided that the issuer or the issuer of such instruments are themselves subject to regulations intended to protect the investors and savings, and that such instruments are:

- issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, by any Other State or, the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by a company whose securities are traded on Regulated Markets, stock exchanges in an Other State or Other Regulated Markets referred to in points (a) to(c) above; or
- issued or guaranteed by an institution subject to prudential supervision according to criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those provided for under Community legislation; or
- issued by other entities belonging to categories approved by the Luxembourg supervisory authority as long as the investments in these instruments are subject to rules for protecting investors that are at least equivalent to those prescribed by the first, second or third indents, and that the issuer is a company whose capital and reserves are at least ten million euros (EUR 10,000,000) and which presents and publishes its annual accounts in conformity with Directive 2013/34/EU, or is an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity which is dedicated to financing securitisation vehicles with a line of bank financing.

2. In addition, the Fund may invest up to 10% of its net assets in transferable securities and Money Market Instruments other than those referred to in point (A) (1) above.

B. Each compartment may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in currency accounts with a bank accessible at any time and Money Market Instruments) up to 20% of its net assets for treasury purposes. On a temporary basis and if justified by exceptionally unfavourable market conditions, the compartment may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets up to 100% of its net assets.

C. (1) Each compartment may not invest more than 10% of its net assets in transferable securities and Money Market Instruments issued by a single entity.

Each compartment may not invest more than 20% of its net assets in deposits placed with a single entity.

(2)(i) Furthermore, the total value of the investments in transferable securities and Money Market Instruments held with issuers in which a Fund invests more than 5% of its net assets may not exceed 40% of the value of the net assets of that compartment;

(ii) This limit does not apply to deposits with financial institutions subject to prudential supervision and to transactions involving OTC derivative instruments with these institutions.

(3)(i) The counterparty risk in a transaction involving OTC derivative instruments may not exceed 10% of the net assets of a compartment when the counterparty is a credit institution referred to in section (A) (1) (f) above, or 5% of its net assets in other cases.

(ii) Investments in financial derivative instruments are authorized provided that, overall, the risks to the underlying assets does not exceed the investment limits set forth in paragraphs (C) (1), (C)

(2) (i), (C) (3) (i) and (v), (C) (4), C (5), (C) (6) (i) and (iii). When a compartment invests in a derivative financial instrument based on an index, such investments are not necessarily combined with the limits set forth in paragraphs (C) (1), (C) (2) (i), (C) (3) (i) and (v), (C) (4), C(5), (C) (6) (i) and (iii).

(iii) When a transferable security or Money Market Instrument includes a derivative, the derivative must be taken into account when applying the provisions of paragraphs (A) (1) (g) second indent and (C) (3) (iv), and for the assessment and information of the risks associated with transactions in derivative instruments mentioned in this prospectus.

(iv) The Fund ensures that the overall risk associated with derivatives does not exceed the total net assets of its portfolio.

Risks are calculated taking into account the current value of the underlying assets, counterparty risk, foreseeable changes in the markets and the time available to liquidate the positions.

(v) Notwithstanding the individual limits set forth in C(1), C(2)(i) and C(3)(i) above, a compartment may not combine:

- investments in transferable securities and Money Market Instruments issued by a single entity,
- deposits with a single entity, and/or
- risks related to transactions involving OTC derivative financial instruments with a single entity,
- in excess of 20% of its net assets.

(4) The 10% limit set forth in paragraph (C)(1) above is raised to 35% for transferable securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities, an Other State or public international bodies of which one or more Member States are members.

(5)(i) The 10% limit stipulated in point (C) (1) is raised to 25% for covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter “Directive (EU 2019/2162)”), and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is legally subject to special public supervision designed to protect holders of such bonds. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in accordance with the law in assets which, throughout the period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of the bankruptcy of the issuer, would be used first to repay the principal and for payment of accrued interest. To the extent that a compartment invests more than 5% of its net assets in such bonds issued by a single issuer, the total value of these investments may not exceed 80% of the value of its net assets.

(ii) The securities and the Money Market Instruments mentioned in paragraphs (i) and (C)(4) and must not be taken into consideration in applying the 40% limit set out in paragraph (C)(2)(i).

(6)(i) The limits set out in paragraphs (C)(1), (C)(2)(i) (C)(3)(i) and (v), C(4) and C(5)(i) above cannot be combined; consequently, investments in transferable securities and Money Market Instruments issued by a single entity, in deposits of such entity or in derivatives traded with this entity in accordance with paragraphs (C)(1), (C)(2)(i) (C)(3)(i) and (v), C(4) and C(5)(i) may not exceed 35% of the net assets of the compartment.

(ii) Companies which are grouped together for the purposes of consolidated accounts within the meaning of Directive 2013/34/EU or in accordance with recognised international accounting rules are considered to be a single entity for the calculation of the limits described in point (C) above.



(iii) A compartment may cumulatively invest up to 20% of its net assets in transferable securities and Money Market Instruments of a single corporate group.

(7) If a compartment is invested in accordance with the principle of risk spreading in transferable securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities or by a state which is member of the OECD or the G20, by Hong Kong or Singapore or by public international bodies to which one or more Member States belongs, the Fund may invest up to 100% of the net assets of each compartment in such transferable securities and Money Market Instruments provided that the relevant compartment holds securities from at least six different issues and that the securities from a single issue do not exceed 30% of the net assets of the compartment.

While ensuring observance of the principle of risk spreading, each compartment may derogate from Articles 43 to 46 of the Law of 2010 for a period of six months following the date of its approval.

(8) Without prejudice to the limits laid down under (E) below, the limits laid down in (C)(1) are raised to a maximum of 20% for investments in equities and/or bonds issued by a single body when the object of the compartment's investment policy is to replicate the composition of a specific index of equities or bonds that is recognised by the Luxembourg supervisory authority, on the following basis:

- the composition of the index is adequately diversified;
- the index represents an adequate benchmark for the market to which it refers,
- it is published appropriately.

The 20% limit is raised to 35% where this is justified by exceptional market conditions, particularly on Regulated Markets where certain transferable securities or certain Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

D. For each compartment, the Fund may borrow up to 10% of the net assets of the compartment, provided that these are temporary borrowings. Back-to-back loans are not considered borrowings for the calculation of this investment limit.

E. (i) The Fund may not acquire shares granting voting rights of a company in an amount enabling it to exercise significant influence over the management of the issuer.

(ii) The Fund may not acquire (a) more than 10% of the non-voting shares of a single issuer; (b) more than 10% of the bonds of a single issuer and/or (c) more than 10% of the Money Market Instruments issued by a single issuer. However, the limits specified in points (a) and (b) above do not have to be observed at the time of acquisition if at that time the gross value of the bonds or Money Market Instruments or the net value of the securities issued cannot be calculated.

The ceilings provided for in points (E) (i) and (ii) do not apply in respect of:

- 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 an Other State;
- transferable securities and Money Market Instruments issued or guaranteed by international public bodies to which one or more Member States belongs; or
- shares held in the capital of a company of an Other State provided that (i) such company invests its assets mainly in securities of issuers that are nationals of that State when (ii) under the laws of that State, such a holding represents the only possibility for the compartment to invest in

securities of issuers of that State and (iii) such company observes in its investment policy the risk diversification rules and control limits set out in Articles 43, 46 and 48(1) and (2) of the Law of 2010.

F. (i) Unless otherwise provided in the investment policy of a specific compartment, each compartment will not invest more than 10% of its net assets in UCITS and other UCIs.

(ii) In the case restriction (i) above is not applicable to a specific compartment, as provided in its investment policy, such compartment may invest in units of UCITS or other UCIs referred to in point (A) (e), provided that no more than 20% of the net assets in each compartment are invested in units of a single UCITS or other UCIs.

For the purposes of this investment limit, each compartment of a UCI with multiple compartments is deemed to be a separate entity, provided that the principle of segregation of liabilities between the compartments is ensured with respect to third parties.

(iii) Investment in units of UCIs other than UCITS may not exceed a total of 30% of the net assets of each compartment.

(iv) When a compartment invests in units of other UCITS and/or other UCIs that are linked to the Fund within the framework of common management or control or by a significant direct or indirect holding, or is managed by a management company linked to the Manager, no subscription or redemption fees may be charged to the Fund for investment in units of the UCITS or other UCIs.

(v) When a compartment invests a significant portion of its assets in units or shares of other UCITS and/or other UCIs that are linked to the Fund within the framework of common management or control or by a significant direct or indirect holding, or is managed by a management company linked to the Manager, the management fees (if applicable, excluding the performance fee) levied within each compartment and each of the relevant UCITS and/or other UCIs must not in total exceed 2.5% of the relevant net assets under management; this information will be clearly indicated in the annual reports of the Fund.

(vi) The Fund may acquire up to 25% of the units of a single UCITS and/or other UCI. This limit may be waived at the time of acquisition if at that time the gross amount of the shares issued cannot be determined. In the case of a UCITS or other UCIs with multiple compartments, this limit applies to shares issued by the UCITS/UCI as a whole.

(vii) The underlying investments held by the UCITS or other UCIs in which a compartment invests may not be taken into account for the calculation of limits specified in point 1. (C) above.

G. Subject to the investment restrictions set out in section F. above, a compartment may subscribe, acquire and/or hold shares to be issued or issued by one or more other compartments without the compartment being subject to the requirements of the law of 10 August 1915 on commercial companies (as amended) with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

(i) No more than 10% of the assets that the target compartment whose acquisition is contemplated may be invested in units of UCITS and/or other UCIs; and

(ii) the target compartment does not, in turn, invest in the compartment invested in this target compartment; and

(iii) voting rights, if any, attaching to the shares of the target compartment are suspended for as long as they are held by the relevant compartment and without prejudice to the appropriate processing in the accounts and the periodic reports; and

- (iv) in any event, for as long as these shares are held by the compartment, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010; and
- (v) there is no duplication of management/entry or sale charges between those at the level of the Fund having invested in the target compartment, and this target compartment.

### **PROHIBITED INVESTMENTS**

- (A) The Fund may not invest directly in commodities (including precious metals).
- (B) The Fund may not enter into transactions involving commodities or agreements on commodities.
- (C) The Fund may not acquire real estate or other options, rights or interests in real estate unless it invests in securities secured by real estate or interests in real estate or issued by companies which invest in real estate or interests in real estate.
- (D) The Fund may not make short sales of transferable securities or Money Market Instruments referred to in point 1. (A)(1) (e) and (h).
- (E) The Fund may not borrow money except on a temporary basis and for a total amount not exceeding 10% of the net assets of the Fund.
- (F) The Fund may not pledge, hypothecate or otherwise transfer as collateral the securities held in respect of a compartment for purposes of covering debts, except to the extent required for the borrowings mentioned in (E) above, in which case this pledge or hypothecation may not concern more than 10% of the net assets of each compartment. However, with regard to swaps, futures and option agreements, the deposit of securities and other assets as collateral in a separate account shall not be considered to be pledges of the Fund's assets.
- (G) The Fund may not directly or indirectly underwrite securities from third parties with a view to their placement.

### **TECHNIQUES AND INSTRUMENTS**

- (A) General provisions

Subject to the specific restrictions in the framework of the investment policies of the compartments, each compartment may use certain techniques and instruments relating to transferable securities and Money Market Instruments for hedging purposes or for any other purpose. When these operations concern the use of derivative instruments, the conditions and limits laid down previously in section "1. Eligible Investments" must be respected.

In no case shall the use of transactions involving derivatives or other financial techniques and instruments lead a compartment to deviate from its investment objectives as laid down in the prospectus.

All income derived from efficient portfolio management techniques ("**EPM Techniques**"), net of direct and indirect fees and operating expenses, will be returned to the relevant compartment. In particular, such fees and expenses may be paid as compensation for services to agents of the Management Company and other intermediaries who provide services related to EPM Techniques. These fees can be calculated as a percentage of the gross income generated by the Fund through the use of these techniques. In general, a maximum of 20% of the gross income derived from EPM Techniques will be deducted from the direct and indirect fees and operating expenses. Information on such direct and indirect fees and operating expenses that may be incurred in this regard, as well as the identity of the entities to which such fees and expenses are paid - as well as any relationship that such entities may have with the Depository Bank or the Management Company will be available in the Fund's annual report.

The Fund will ensure that these transactions are kept at a level at which it can fulfil its redemption obligations at all times and that these transactions do not jeopardise the management of the relevant compartment's assets, in compliance with its investment policies.

(B) General provisions on securities financing transactions and total return swaps

On 25 November 2015 the European Parliament and the Council adopted the Regulation EU/2015/2365 on transparency of securities financing transactions and of reuse ("**SFTR**") that came into force on 12 January 2016 requiring further transparency including in the prospectus to address perceived risks in the use of securities financing transactions.

As of the date of this Prospectus, the Fund is only authorized to use securities lending transactions but not any other securities financing transactions ("**SFTs**") or total return swaps ("**TRS**") referred to by the SFTR. If the Fund uses such SFTs or TRS in the future, the present prospectus will be modified in accordance with SFTR.

*Securities Lending*

Securities Lending is a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as Securities Lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

The use of securities lending transactions will be temporary.

In order to generate additional revenue, inter alia, for the Fund, a compartment may, to the extent permitted by its objectives and investment policy contained in Annex I of the prospectus, participate in securities lending transactions subject to complying with the provisions set forth in SFTR, the CSSF Circular 08/356 and CSSF Circular 14/592 as the same may be amended or replaced. Under no circumstances shall these operations cause the relevant compartment to diverge from its investment objective as laid down in the prospectus or result in additional risk higher than its profile as described in the prospectus. The following types of assets can be subject to securities lending: equity and bonds held in the portfolio of the relevant compartment in accordance of its investment policy when the compartment is acting as borrower.

The following types of securities are permissible for securities lending transactions:

- (i) Government Bonds;
- (ii) Mortgage Backed Securities;
- (iii) Corporate Bonds;
- (iv) Agency Bonds;
- (v) Supranational Bonds;
- (vi) Global Equities;
- (vii) Exchange Traded Funds;
- (viii) American Depositary Receipts;
- (ix) Global Depositary Receipts.

In relation to such lending transactions, the Fund must in principle receive for the compartment concerned security of a value which at the time of the conclusion of the lending agreement must be at least equal to the value of the global valuation of the securities lent.

The compartment may not enter into securities lending transactions unless such lending is fully and continuously secured by the cash placed as collateral and/or shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, provided that these shares are included in a main index and/or securities issued or guaranteed by an OECD member state or by local authorities of an OECD member state or by supranational institutions or organisations with EU, regional or worldwide scope, or by a guarantee of a highly rated financial institution, and blocked in favour of the compartment until the termination of the lending contract.

The maximum and expected proportions of a compartment's net assets that could be subject to securities lending transactions are set out in the Annex relating to the relevant compartment, except where a compartment does not enter into securities lending transactions, in which case no reference is made to such transactions in the Annex of the relevant compartment.

Lending transactions may not extend beyond a period of 7 days, except for lending transactions where the securities may be reclaimed at any time by the Fund.

All securities lending transactions will be entered into on arms-length commercial terms. The written consent of the Board of Directors is required for any such transactions that are entered into with the Investment Manager. The counterparties to the transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transaction. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties to such transactions will typically be organisations based in an OECD member state. The Fund will seek to appoint counterparties from a list of approved counterparties who have undergone a credit risk analysis by the Investment Manager taking into account CSSF rules on counterparty selection, and whose short-term and long term ratings so rated by Standard & Poor's or Moody's Investor Services or Fitch Ratings must not be lower than BBB+. A counterparty may be a related party to the Investment Manager. In accordance with its collateral policy, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent/sold, as described below.

The securities of a compartment that have been lent may be held by a third party custodian who is subject to prudential supervision. Where there is a title transfer, collateral received will be held by the Depository Bank (or sub-custodian on the behalf of the Depository Bank) on behalf of the relevant compartment in accordance with the Depository Bank's safekeeping duties under the Depository Bank agreement. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which should be unrelated to the provider of the collateral.

The risks related to the use of securities lending transactions and the effect on investors returns are more fully described under section "Investment Risks".

#### *Revenues and Costs from Securities lending transactions*

Except as otherwise set out in the Annex I, any revenues from EPM techniques not received directly by the relevant compartment will be returned to that compartment, net of direct and indirect operational costs and fees (which do not include hidden revenue).

To the extent a compartment engages in securities lending transactions, the Management Company or Investment Manager may appoint an SFT Agent, which may or may not be an Affiliate and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee. SFT Agents or counterparties to the OTC Derivatives may be Affiliates of the Management Company or the relevant Investment Manager.

The Investment Manager has appointed Pictet & Cie (Europe) S.A. as securities lending agent for the compartments which enters into securities lending activities. The relevant compartment pays up to 30% of the gross revenues generated from securities lending activities as costs / fees to the securities lending agent and retains a minimum of 70% of the gross revenues generated from securities lending activities.

This includes all direct and indirect costs/fees generated by the securities lending activities.

(C) Management of collateral and collateral policy

**1) General provisions**

In the context of over-the-counter transactions on financial derivatives and efficient portfolio management techniques, the Fund may receive a guarantee to reduce its counterparty risk. This section outlines the guarantee policy applied by the Management Company in this case.

**2) Admissible collateral**

The collateral received by the Fund may be used to reduce its exposure to counterparty risk if it meets the criteria set out in the law, the regulations and the circulars issued by the CSSF, especially with respect to liquidity, valuation, issuer quality, correlation, and risks associated with collateral management and enforceability. In practice and in accordance with CSSF Circular 14/592, in the framework of transactions in financial derivative instruments traded over the counter and efficient portfolio management techniques, all financial guarantees for reducing exposure to counterparty risk must respect the criteria set forth below:

- a. any financial guarantee received other than in cash must be highly liquid and traded on a Regulated Market or a multilateral trading system with transparent prices, so that it can be sold quickly at a price close to the valuation price prior to sale.
- b. They should be valued at least daily, and assets with high levels of price volatility should not be accepted as financial guarantees, unless sufficiently prudent discounts are applied.
- c. The financial guarantees received must be of excellent quality.
- d. They must be issued by an entity independent of the counterparty and are expected not to be highly correlated with the performance of the counterparty.
- e. They must be sufficiently diversified in terms of countries, markets and issuers. The criterion for sufficient diversification with respect to issuer concentration is considered to be met if the Fund receives from a counterparty a basket of financial guarantees offering exposure to a single issuer up to a maximum of 20% of its net asset value in the framework of efficient portfolio management techniques and transactions in derivative financial instruments traded over the counter. If the Fund is exposed to various counterparties, the different baskets of financial guarantees should be aggregated to calculate the exposure limit of 20% to a single issuer.

The collateral can take the form of:

- (i) liquidity, including money in cash and short-term bank deposits, as well as Money Market Instruments,
- (ii) bonds issued or guaranteed by an OECD member state or by their local public authorities, or by Community, regional or global supranational organisations and institutions,
- (iii) in shares or units issued by money-market UCITS and other UCIs that calculate a daily net asset value and are classified AAA or equivalent,
- (iv) in shares or units issued by money-market UCITs investing in the bonds/equities mentioned in point (v) below,
- (v) bonds issued or guaranteed by first-class issuers offering adequate liquidity.

The collateral received by the Fund will consist exclusively of bonds issued or guaranteed by an OECD member state or by their local public authorities, or by Community, regional or global supranational organisations and institutions.

To the extent that this policy should be reconsidered for the purposes of portfolio management, the prospectus will be amended accordingly.

**3) Level of collateral required**

The Fund will require a minimum over-collateralisation of 102% of the value of the underlying securities. The discount for all eligible collateral will vary between 0 and 8% in application of the discount policy stated below, so that the minimum over-collateralisation of the value of the underlying securities will never fall below 100%.

**4) Discount policy**

The collateral will be valued on a daily basis, using market prices and taking into account appropriate discounts to be determined by the Fund for each asset class based on its discount policy. The collateral will be marked to market daily and may be subject to daily variation margin requirements.

This policy takes into account a range of factors, depending on the nature of the collateral received, such as the credit rating of the issuer, the maturity, the currency, the volatility of asset prices and, where appropriate, the results of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

Discounts can be internally reviewed and modified as per a risk based approach. Cash received as collateral will in principle not be subject to any particular discount.

For collateral consisting of government or equivalent bonds (see above), the following discount will be applied:

Residual maturity	Discount applied
Not exceeding 1 year	1%
1 to 5 years	3%
5 to 10 years	4%
10 to 20 years	7%
20 to 30 years	8%

**5) Reinvestment of collateral**

Non cash collateral received on behalf of the Fund cannot be reinvested.

As the case may be, cash collateral received by a compartment in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such compartment in (a) shares or units issued by short-term money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits and (c) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope according to the provisions described under section XII. Article 43. J) of ESMA Guidelines on ETFs and other UCITS issues released by the CSSF under CSSF Circular 14/592. Such reinvestment will be taken into account for the calculation of the relevant compartment's global exposure, in particular if it creates a leverage effect. In case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the

objectives of the compartment concerned, or (iii) yield a sum less than the amount of collateral to be returned.

(D) Structured products

Unless otherwise provided for in the specific annex to each compartment, a compartment may invest in structured products, including notes, certificates or other securities whose returns are correlated with returns linked, inter alia, to an index selected in accordance with Article 9 of the Grand-Ducal Regulation of 8 February 2008 (including indexes on commodities, precious metals, volatility, etc.), currencies, exchange rates, interest rates, transferable securities, a basket of transferable securities or an undertaking for collective investment, at all times in accordance with the Grand-Ducal Regulation of 8 February 2008.

Investments in asset-backed securities and mortgage-backed securities ("**ABS/MBS**") may be carried out for up to 20% of the net assets of the compartment.

In accordance with the Grand-Ducal Regulation of 8 February 2008, a compartment may also invest in structured products without embedded financial derivatives which give rise to cash payments, linked to growth in commodities (including precious metals).

### VARIOUS

- (A) Without prejudice to the acquisition of securities and the establishment of bank deposits as mentioned in point 1 (A) (1) or the acquisition of liquid assets and provided that the Fund is not prevented from investing in transferable securities, Money Market Instruments or other liquid financial assets referred to in points 1(A) (e), (g) and (h) which are not fully paid up, the Fund may not grant loans or act as guarantor on behalf of third parties.
- (B) The Fund need not comply with the thresholds of the investment restrictions when exercising subscription rights relating to transferable securities or Money Market Instruments which form part of the Fund's assets.
- (C) The Fund may not issue warrants or other financial instruments conferring the right to acquire shares of the Fund.
- (D) The Fund may establish more restrictive investment restrictions where such limits are necessary to comply with the laws and regulations of the countries in which the shares are offered or sold.

### RISK MANAGEMENT

The Fund will employ risk management processes allowing it to monitor and measure at any time with the Manager the risk of the positions and their contribution to the overall risk profile of each compartment. The Fund or the Manager will use, if applicable, accurate and independent processes for measuring the value of OTC derivative instruments.

Unless otherwise specified under the relevant compartment annex, the *commitment approach* is used to monitor the overall risk to which the compartments are exposed. This method is used to measure the exposure to the overall risk arising from positions in derivative financial instruments, based on the fact that the sum of the underlying positions must not exceed 100% of the net assets of the relevant compartment.

### INVESTMENT RISKS

The Fund is subject to the general risks listed below. However, each compartment is subject to specific risks that the Board of Directors nevertheless seeks to minimise, as indicated in Annex I of this prospectus.



- Market risks

The investments of each compartment of the Fund are subject to market fluctuations and the risks inherent in investments in transferable securities. Consequently, no assurance can be given that the investment objectives will be achieved.

- Risks related to investments in equities

An equity investment generates, in general, greater earnings than an investment in the short- or long-term debt securities. However, the risks associated with equity investments are also higher, since the results achieved by the equities depend on factors that are difficult to predict, including the possibility of sudden or prolonged market declines and the risks associated with the companies themselves.

The value of equities can fluctuate in response to the activities of the companies or to global market developments and/or economic conditions. Historically, equities have produced higher long-term earnings and featured more short-term risks than other investment choices.

- Risks related to investments in certain countries

The value of an investment may be affected by fluctuations in the currency of the country in which the investment was made, or regulations of foreign exchange controls, the application of tax laws in the different countries, including withholding at source, and changes in government or economic or monetary policy in the relevant countries.

In addition, the markets for some of the countries in which investments are made may be more or less liquid and unstable; furthermore, development in some emerging countries of applicable legislation concerning accounting principles may not always ensure that the value of the relevant assets is properly reflected in the accounting statements relating to them. Similarly, issues relating to the enforceability of ownership with respect to third parties and the issuers may arise in relation to legal and other deficiencies in the laws of some emerging countries. Finally, the possibility of default of the relevant issuers is not generally excluded.

- Risks related to investments in other undertakings for collective investment

Because some compartments may invest in other undertakings for collective investment ("UCIs"), the relevant investor is exposed to duplication of fees and commissions. Certain compartments are required to bear their own fees and commissions paid to their Manager, Depositary Bank and other service providers and a portion of the fees and commissions paid by the UCI in which they invest to their managers or other service providers.

Therefore, shareholders should be aware that the fees paid to the Manager can be added to those paid by the target UCIs to their own managers or investment managers.

- Risks related to investing in bonds, debt instruments and other fixed-income securities

With respect to the compartments that invest in bonds and other debt instruments, the value of these instruments depend on market interest rates, the credit quality of issuers and liquidity considerations. The net asset value of a compartment that invests in debt instruments will change as a result of changes in interest rates, the credit quality of the issuer as perceived on the market, the liquidity of the market and the exchange rates (assuming the investment currency is different from the currency of the compartment making the investment). Some compartments may also make non-investment grade investments. The return of such an investment may not offset the risks taken by the shareholders of the relevant compartments.

Some compartments may also invest in high-yield debt instruments for which income levels may be relatively high (compared to qualified investment grade debt instruments); however, the risk of depreciation and capital loss is significantly higher for this type of debt instrument than for other debt instruments that have a lower return.

- Risks related to derivative instruments

The use of options and futures agreements exposes the Fund to additional risks. The prices of financial futures are highly volatile and are influenced by a range of factors relating, inter alia, to changes in the relationship between supply and demand, programmes and policies of monetary and foreign exchange controls, fiscal and governmental controls, events in national and international politics and economics, and government intervention in certain sectors, particularly in the currency and interest rate markets.

Trading of options, including options on futures and OTC options, is speculative and generates significant leverage. It is not possible to precisely predict the specific movements of futures markets or of the securities on which the options are based.

Futures agreements are also subject to liquidity risk, i.e. situations in which market activity decreases or the daily price fluctuation limit has been reached.

- Risks related to interest rates

The net asset value of the Fund will vary with changes in market interest rates. In principle, the risk related to interest rates is reflected in the fact that the value of debt securities tends to rise when interest rates fall, and vice versa. The extent of the fluctuations in the value of bonds with regard to changes in interest rates depends on the type of debt security. The interest rate risk is generally greater for investments in debt securities with relatively long maturities than for investments in debt securities with short maturities.

- Risks related to foreign exchange transactions

Currency exchange rates can be volatile and difficult to predict. Consequently, by seeking to take advantage of changes in exchange rates, compartments authorised to enter into such transactions may incur losses from significant directional movements in exchange rates.

- Risks related to counterparty

The compartments may enter into transactions in OTC markets, which will expose the compartments to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the compartments may enter into swap arrangements or other derivative techniques as specified in the relevant compartment's annex, each of which expose the compartments to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the compartments could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the Investment Restrictions laid down in this section 25 of the prospectus.

Certain markets in which the compartments may affect their transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such compartment may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the compartment to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may

intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective compartment could become subject to adverse market movements while replacement transactions are executed. The compartments are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the compartments have no internal credit function which evaluates the creditworthiness of their counterparties. The ability of the compartments to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a Regulated Market to facilitate settlement may increase the potential for losses by the compartments.

- Risks related to Depository Bank

The assets of the Fund and its compartments shall be held in custody by the Depository Bank and its sub-custodian(s) and/or any other custodians, prime broker and/or broker-dealers appointed by the Fund. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depository, sub-custodian(s), other custodian / third party bank, prime broker and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the depository, sub-custodian(s), other custodian / third party bank, prime broker or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depository, sub-custodian(s), other custodian / third party bank, prime broker or the broker dealer, the Fund's claim might not be privileged and may only rank *pari passu* with all other unsecured creditors' claims. The Fund and/or its compartments might not be able to recover all of their assets in full.

- Risks related to securities lending transactions

Whilst value of the collateral of securities lending agreements will be maintained to at least equal to the value of the securities transferred, in the event of a sudden market movement there is a risk that the value of such collateral may fall below the value of the securities transferred. The Fund will seek to mitigate this risk by requiring any securities lending agent to indemnify the relevant Funds against such a fall in the value of collateral (save where such collateral has been re-invested at the instructions of the Fund).

Securities lending involves counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner and/or at a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially. This risk is increased when a compartment's loans are concentrated with a single or limited number of borrowers. Investors must notably be aware that (A) if the borrower of securities lent by a compartment fail to return these, there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the compartment, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a compartment to meet delivery obligations under security sales.

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Compartment may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

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

- Conflicts of interest risk

Investors should note that parties affiliated to the group of the Management Company or the relevant Investment Manager may act, inter alia without being exhaustive, as a counterparty of OTC derivatives, agent or service provider in the context of EPM Techniques and securities lending transactions, Administrative Agent and Depositary. As a result not only will investors be exposed to the credit risk of the relevant group but also operational risks arising from any potential lack of independence of the Management Company or the relevant Investment Manager.

- The operational risks arising from any such potential lack of independence are in part reduced by the fact that different legal entities or different divisions of a single legal entity within the Management Company's or relevant Investment Manager's groups, respectively, will be involved and will most cases be subject to specific conflicts of interest monitoring, disclosure and management requirements. The possibility of conflicts of interest arising can however not be fully eliminated, but where there is a potential conflict of interests between the interests of the Fund and its Shareholders and the interests of the group to which the Management Company or the relevant Investment Manager, as appropriate, belong, each of such persons has undertaken or will be requested by the Fund to undertake to manage, monitor and disclose any such conflicts of interest to prevent negative effects on the Fund and its Shareholders.
- Operational risks

The Fund's operations (including investment management) are carried out by the service providers mentioned in this prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.

- Liquidity risk

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

- Legal risks

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a compartment may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

- Risks related to collateral

Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded.

Where a compartment is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral the compartment places with the counterparty is higher than the cash or investments received by the compartment.

In either case, where there are delays or difficulties in recovering assets, collateral posted with counterparties, or realising collateral received from counterparties, the compartments may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As a compartment may reinvest cash collateral it receives under securities lending, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the compartment would be required to cover the shortfall.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant.

Collateral received by a compartment may be held either by the Depositary Bank or by a third party custodian.

In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

- Risks related to investments in warrants

Shareholders should be aware of the greater volatility of warrants and the corresponding increase in the volatility of equities.

- Risks related to exposure to distressed securities

Exposure to distressed securities (i.e. which have a Standard & Poor's notation below CCC long-term rating or equivalent) may cause additional risks for a compartment. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Such securities are mostly issued by issuers in severe financial distress including issuers involved in bankruptcy or other reorganisation and liquidation proceedings. Therefore, a compartment (or the relevant underlying UCI) may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the compartment (or the relevant underlying UCI). Under such circumstances, the returns generated from the compartment's (or the relevant underlying UCI's) investments may not compensate its shareholders adequately for the risks assumed.

- Risks related to downgrading

In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the relevant compartment's investment value in such security may be adversely affected. Where a security held in a compartment's portfolio is downgraded, this will trigger a review of the reasons for the downgrade, which may be independent of the economic fundamentals of the instrument. Holdings are assessed on a case-by-case basis at the point of downgrade and a decision made on whether the downgrade represents a reason to discontinue holding the security. All holdings are monitored on an ongoing basis. The Investment Manager of the relevant compartment may or may not be able to dispose of the securities that are being downgraded, subject to the investment objectives of the relevant compartment. In the event that the downgrade of a security triggers the breach of an investment limit disclosed in the investment policy of a compartment, the Investment Manager seek to remedy that situation by selling securities taking due account of the interests of its shareholders.

- Risks related to investments in convertible bonds

Some convertible securities are issued in the form of *contingent convertible bonds* (or "coco" bonds), where the conversion of bonds into shares is effected at the indicated conversion rate if a predetermined trigger event occurs. This type of convertible security became popular in the wake of the 2008-2009 financial crisis as a means for triggering a conversion of debt into equity in order to avoid bankruptcy in the event of a deterioration in the financial situation. Hence the issuers of such bonds tend to be those that are vulnerable to weakness on the financial markets. Conversion is effected after a predetermined event, which may occur when the price of the underlying equity is lower than the issue price or purchase price of the bond, resulting in a potentially higher risk of capital loss compared to conventional convertible securities.

Investments in *contingent convertible bonds* may also include (but are not limited to) the following risks:

**Cancellation of coupons:** for some convertible bonds, the payment of coupons is entirely discretionary and may be revoked by the issuer at any time for any reason and for any length of time whatsoever.

**Return:** investors have been attracted to these instruments because their often attractive returns can be considered a complexity premium.

**Valuation and depreciation risks:** it may be necessary to reduce the value of contingent convertible bonds due to a greater risk of overvaluation of this asset class on the relevant eligible markets. As a consequence, a compartment may lose the entire value of its investment or may be required to accept cash or securities with a value less than its initial investment.

**Risk of extension of redemption:** some *contingent convertible bonds* are issued as perpetual instruments, redeemable at predetermined levels only with the agreement of the competent authority.

**Risk of inversion of the capital structure:** unlike a conventional capital hierarchy, investors in *contingent convertible bonds* may suffer a loss of capital, while the holders of shares do not suffer any such capital loss.

**Conversion risk:** it may be difficult for the Manager to assess how the securities will perform after conversion. In case of conversion into shares, the Manager may be forced to sell these new shares as the investment policy of the relevant fund does not allow equities in its portfolio. Such forced sale may itself lead to a liquidity problem with regard to these shares.

**Unknown risk:** the structure of *contingent convertible bonds* is indeed innovative, but not yet proven.

**Sector concentration risk:** investments in convertible bonds may increase the risks associated with sector concentration as these securities are issued by a limited number of banks.

**Trigger threshold risk:** trigger thresholds differ and determine exposure to the conversion risk as a function of the difference between the capital ratio and the trigger threshold. It may be difficult for the Manager to anticipate trigger events that would require the conversion of debt into equity.

**Liquidity risk:** in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount to the expected value of the contingent convertible bond in order to sell it.

Investment in the Fund is therefore only recommended for investors who can bear the economic risk of the investments made by the Fund, who are aware of this risk and who believe that their investment in the Fund corresponds with their objectives.

- Risks related to China Interbank Bond Market

The China bond market is made up of the interbank bond market and the exchange listed bond market. The China interbank bond market ("CIBM") is an OTC market established in 1997. Currently, more

than 90% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, policy bank bonds and corporate bonds.

Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The compartment investing in such market is therefore subject to liquidity and volatility risks and may suffer losses in trading the People Republic of China ("PRC") bonds. The bid and offer spreads of the prices of the PRC bonds may be large, and the relevant compartment may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

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

The CIBM is also subject to regulatory risks. Due to irregularities in the CIBM trading activities, the China Government Securities Depository Trust & Clearing Co. (the central clearing entity) suspended new account opening on the CIBM for specific types of products. If accounts are suspended, or cannot be opened, the compartment's ability to invest in the CIBM will be limited and it may suffer substantial losses as a result.

- Risks related to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Certain compartments may invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (together referred to as "Stock Connect"). The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") or Shenzhen Stock Exchange ("SZSE") and China Securities Depository and Clearing Corporation Limited "ChinaClear"), with an aim to achieve mutual stock market access between the PRC and Hong Kong.

The Stock Connect comprises a Northbound Trading Link (for investment in China A-Shares) by which certain compartments may be able to place orders to trade eligible shares listed on SSE or on SZSE.

Under the Stock Connect, overseas investors (including the compartments) may be allowed, subject to rules and regulations issued / amended from time to time, to trade certain China A Shares listed on the SSE or on the SZSE (the "SSE Securities" and the "SZSE Securities") through the Northbound Trading Link.

The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the Stock Exchange of Hong Kong Limited ("SEHK"), except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

The SZSE Securities include all the constituent stocks from time to time of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which has a market capitalization of at least RMB 6 billion, and all the SZSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except those SZSE-listed shares (i) which are not quoted and traded in Renminbi (RMB), (ii) which are included in the "risk alert board"; (iii) which have been suspended from listing by the SZSE; and (iv) which are in the pre-delisting period. The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about the Stock Connect is available online at the website:

[http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm)

In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-Shares and regulatory risk.

#### *Quota limitations*

The Stock Connect is subject to quota limitations on investments, which may restrict the relevant compartments' ability to invest in China A-Shares through the Stock Connect on a timely basis, and these compartments may not be able to effectively pursue their investment policies.

#### *Suspension risk*

Each of SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant compartments' ability to access the PRC market.

#### *Differences in trading day*

The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the compartments) cannot carry out any China A-Shares trading. The compartments may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result. Restrictions on selling imposed by front-end monitoring PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

#### *Clearing settlement and custody risks*

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx ("HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission ("CSRC"). The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant compartment(s) may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A-Shares traded through Stock Connect are issued in scripless form, so investors, such as the relevant compartments, will not hold any physical China A-Shares. Hong Kong and overseas investors, such as the compartments, who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.

#### *Operational risk*

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the compartments, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk



management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

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

#### *Nominee arrangements in holding China A-Shares*

HKSCC is the "nominee holder" of the SSE Securities or the SZSE Securities acquired by overseas investors (including the relevant compartment(s)) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the compartments enjoy the rights and benefits of the SSE Securities or the SZSE Securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or custodian as registered holder of SSE Securities or the SZSE Securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those SSE Securities or the SZSE Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the relevant compartment(s) and the Depository cannot ensure that the compartment's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, 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 SSE Securities or the SZSE Securities in the PRC or elsewhere. Therefore, although the relevant compartments' ownership may be ultimately recognised, these compartments may suffer difficulties or delays in enforcing their rights in China A-Shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depository and the relevant compartment(s) will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that a compartment suffers losses resulting from the performance or insolvency of HKSCC.

#### *Investor compensation*

Investments of the relevant compartments through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the relevant compartments are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

*Trading costs*

In addition to paying trading fees and stamp duties in connection with China A-Share trading, the relevant compartments may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

*PRC tax consideration*

The Management Company reserves the right to provide for tax on gains of the relevant compartment that invests in PRC securities thus impacting the valuation of the relevant compartments. With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Management Company and/or the portfolio manager of the compartments when applicable may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they purchased and/or sold their shares in/from the relevant compartment.

On 14 November 2014, the Ministry of Finance, State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on the Stock Connect under Caishui 2014 No.81 ("Notice No.81"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the compartments) on the trading of China A-Shares through the Stock Connect with effect as from 17 November 2014. However, Hong Kong and overseas investors (such as the compartments) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

*Regulatory risk*

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC 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.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The relevant compartments which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

- Risks related to investments in Russia

Whilst fundamental reforms relating to securities investments and regulations in Russia have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations in Russia remains uncertain.

The only evidence of ownership of equity securities in Russia is entry of the shareholders name on the shareholders register of the issuer. The concept of fiduciary duty is not well established in Russia and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. The rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders.

- Risks related to participation notes

Participation notes involve a particular contracting party risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late. They also involve a market risk arising from fluctuations in exchange rates and interest rates.

In the case of participation notes which convert into foreign currency, there are also exchange rate opportunities and risks. Moreover, these participation notes are subject to what is called a transfer risk, something which also exists with other participation notes involving cross-border transactions.

- Risks related to investments in ABS/MBS

The underlying assets to these instruments may be subject to higher credit, liquidity and interest rate risks than other securities such as government bonds. ABS and MBS carry the right to payments in amounts which depend principally on the flows generated by the underlying assets. ABS and MBS are often exposed to risks of expansion and early repayment, which may have a sizeable effect on the maturity and the amounts of the financial flows generated by the assets by which they are backed and may have a negative effect on their performance. The average term of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of option clauses or early redemption of bonds, the predominant level of interest rates, the actual default rate of the underlying assets, the time needed to return to normal and the rotation rate of the underlying assets.

- Risks related to investments in catastrophe bonds

If a trigger event occurs (such as a natural disaster or financial or economic failure), the bonds may lose part or all of their value. The loss amount is defined in the terms of the bond and may be based on losses to a company or industry, modelled losses to a notional portfolio, industry indices, readings of scientific instruments or certain other parameters associated with a catastrophe rather than actual losses. The modelling used to calculate the probability of a trigger event may not be accurate or may underestimate the likelihood of the trigger event occurring which may increase the risk of loss. Catastrophe bonds may provide for extensions of maturity which may increase volatility.

Catastrophe bonds may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur and are typically rated below investment grade (or considered equivalent if unrated).

**ANNEX I:  
COMPARTMENTS IN OPERATION****PWM FUNDS – Fixed Income Total Return Selection****Profile of typical investor**

The compartment is intended for investors who wish to participate in bond market developments through a diversified investment portfolio for an investment period of 3 to 5 years.

**Objectives and Investment policy**

The objective of the compartment PWM Funds – Fixed Income Total Return Selection (hereafter the "**Compartment**") is to provide a long-term, risk adjusted capital appreciation, through investments in a diversified portfolio of investment funds / undertakings for collective investment within the meaning of Article 41(1) e) of the Law of 2010 (UCIs) that should have relatively low correlation with traditional asset classes.

In order to achieve its objective, the Compartment will mainly invest in UCITS and other UCIs offering an exposure to debt securities (including money market instruments) of any type.

These UCITS and other UCIs may make use of or offer an exposure to fixed-income or debt securities, without constraint on credit rating, maturity, that include, among others, medium and long-term bonds, floating-rate notes, all types of asset-backed securities, convertible bonds.

The underlying UCITS and other UCIs are primarily managed by independent investment managers worldwide who use a variety of strategies and fixed-income instruments.

Exposure of the underlying UCITS and other UCIs will not be limited to a geographic sector (including emerging countries), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

On a marginal basis, the Compartment may invest in any other type of eligible assets, such as (direct investment in) debt securities and UCITS and other UCIs other than those above-mentioned.

It is understood that:

- Due to the fact that the Compartment invests a substantial part of its assets in UCITS and other UCIs, the shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCITS and/or other UCIs will be 2%.
- The Compartment can be exposed to investment grade and non-investment grade debt securities.
- However, the Compartment intends to be ultimately exposed, through investments into UCITS and other UCIs, to a maximum of:
  - 10% of its net assets to distressed and defaulted debt securities;
  - 49% of its net assets to high yield debt securities;
  - 20% of its net assets to contingent convertible bonds.

For hedging and for investment purposes, within the limits set out in section 22 "Investment Restrictions" in the main body of the prospectus, the Compartment may use all types of financial derivative instruments (such as but not limited to warrants, futures, options, contracts for difference, credit default swaps and non-deliverable forwards on underlyings in line with the Law of 2010 and any other related regulation as well as with the investment policy of the Compartment, including but not

limited to, currencies, interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCITS and other UCIs) traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to debt securities and currency derivatives (such as forward foreign exchange contracts).

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

### **Benchmark**

The Compartment is actively managed without reference to any benchmark index.

### **Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

### **Global risk exposure**

The global risk exposure of the Compartment is monitored by the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

### **Risks**

The Compartment is subject to the specific risks related to investments in bonds as well as to investing in equities and shares or units of undertakings for collective investment, the risks of interest rates and to market volatility linked to the use of derivatives and warrants. Investors are advised to refer to the section on investment risks above for further information in this regard.

### **Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

### **Distribution Policy**

The Compartment has a capital growth policy and reinvests its income. However, shares of the Compartment may have the following features:

Capital distribution shares are identifiable by reference to "Dist" written in the share class name.

Capital accumulation shares are identifiable by reference to "Acc" written in the share class name.

Hedged shares are identifiable by reference to an "H" written in the share class name.

The shares issued in a currency other than the reference currency of the Compartment (Euro) shall be hedged against Euro.

### **Reference currency**

The reference currency is the euro.

### **Frequency of NAV calculation**

The NAV will be calculated on a weekly basis, as of each Friday (each, a "**Valuation Day**").

### **Issue of shares**

Shares in the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group.

I EUR Acc  
P EUR Acc  
HI USD Acc  
HP USD Acc  
HI CHF Acc  
HP CHF Acc  
I EUR Dist  
P EUR Dist  
HI USD Dist  
HP USD Dist  
HI CHF Dist  
HP CHF Dist  
HI GBP Acc  
HP GBP Acc  
HI GBP Dist  
HP GBP Dist

Class I shares may only be offered to institutional investors as defined from time to time by the guidelines or recommendations of the CSSF.

Class P shares may be offered to any category of investors specifically approved by the Board of Directors and/or the Management Company, including retail investors.

The minimum initial subscription and holding amount for class I is 1,000,000 in the currency of the respective class of shares. No such minimum will apply in relation to class P.

The assets not denominated in Euro may be hedged in order to avoid any exposure to a currency other than the Euro.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is EUR 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 4:00 p.m. on the Luxembourg business day preceding a valuation day, the net asset value calculated for that valuation day will be applicable.

For any subscription received by the Central Administration Agent after 4:00 p.m. on the Luxembourg business day preceding a valuation day, the applicable net asset value will be determined on the following valuation day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 4:00 p.m. on the Luxembourg business day preceding a valuation day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 4:00 p.m. on the Luxembourg business day preceding a valuation day, the applicable net asset value will be determined on the following valuation day.

Cut-off	Subscription: 4:00 p.m. Lux time, 1 Luxembourg business day before the Valuation Day Redemption: 4:00 p.m. Lux time, 1 Luxembourg business day before the Valuation Day Conversion(*):4:00 p.m. Lux time, 1 Luxembourg business day before the Valuation Day
Valuation Day (Pricing Day)	Each Friday
Calculation Day	Each Tuesday or if a Tuesday is a holiday in Luxembourg, the NAVs will be calculated on the next Luxembourg business day
Settlement Day	Subscription: within 3 Luxembourg business days after the relevant Valuation Day Redemption: within 3 Luxembourg business days after the relevant Valuation Day Conversion: within 3 Luxembourg business days after the relevant Valuation Day

(\*) Conversion: conversion orders between compartments with different Valuation day and Calculation Day are not allowed

### **Expenses and fees specific to the Compartment**

The compartment start-up costs will be amortised over a period of 5 years from launch of the Compartment.

Management company fee: Max 0.25% p.a. of the net assets of the Compartment.

Management fee for I EUR Acc: Max 2% p.a.\*

Management fee for P EUR Acc: Max 2.5% p.a.\*

Management fee for HI USD Acc: Max 2% p.a.\*

Management fee for HP USD Acc: Max 2.5% p.a.\*

Management fee for HI CHF Acc: Max 2% p.a.\*

Management fee for HP CHF Acc: Max 2.5% p.a.\*

Management fee for I EUR Dist: Max 2% p.a.\*

Management fee for P EUR Dist: Max 2.5% p.a.\*

Management fee for HI USD Dist: Max 2% p.a.\*

Management fee for HP USD Dist: Max 2.5% p.a.\*

Management fee for HI CHF Dist: Max 2% p.a.\*

Management fee for HP CHF Dist: Max 2.5% p.a.\*

Management fee for HI GBP Acc: Max 2% p.a.\*

Management fee for HP GBP Acc: Max 2.5% p.a.\*

Management fee for HI GBP Dist: Max 2% p.a.\*

Management fee for HP GBP Dist: Max 2.5% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.



**PWM FUNDS – Credit Allocation****Profile of typical investor**

The compartment is intended for investors who wish to participate in bond market globally for an investment period of 3 to 5 years.

**Objectives and investment policy**

The objective of the compartment PWM Funds - Credit Allocation (hereafter the "**Compartment**") is to provide an exposure to the full credit universe aiming to maximize absolute return over the credit cycle.

In order to achieve its objective, the Compartment will mainly invest in debt securities (including money market instruments) of any type, issued by corporate or sovereign issuers.

The choice of investments will neither be limited to a geographic sector (including emerging countries), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as equities and equity related securities and UCITS and other UCIs. However, the Compartment will not invest more than 10% of its net assets in UCITS and other UCIs.

It is understood that:

- The Compartment can be exposed to investment grade or non-investment grade debt securities and unrated debt securities (with a minimum credit rating of D or equivalent). However, the Compartment intends to invest a maximum of 10% of its net assets in each of the following type of assets: distressed and defaulted debt securities; contingent convertible bonds; unrated debt securities.
- Investments in China may be performed, inter alia, on the China Interbank Bond Market ("CIBM"). Investments in China may also be performed on any acceptable securities trading and clearing linked programs or access instruments which may be available to the Compartment in the future.

For hedging and for investment purposes, within the limits set out in Section 22 "Investment Restrictions" in the main body of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use only currency derivatives (such as forward foreign exchange contracts, non-delivery forwards).

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis

**Benchmark**

The Compartment is actively managed without reference to any benchmark index.

**Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

**Global risk exposure**

The global risk exposure of the Compartment is monitored by the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

**Risks**

The Compartment is subject to the specific risks related to investments in bonds as well as to investing in equities and shares or units of undertakings for collective investment, the risks of interest rates and to market volatility linked to the use of derivatives and warrants. Investors are advised to refer to the section on investment risks above for further information in this regard.

**Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

**Distribution Policy**

The Compartment has a capital growth policy and reinvests its income. However, shares of the Compartment may have the following features:

Capital distribution shares are identifiable by reference to "Dist" written in the share class name.

Hedged shares are identifiable by reference to an "H" written in the share class name.

**Reference currency**

The reference currency is the US Dollar.

**Frequency of NAV calculation**

The NAV will be calculated on a weekly basis, as of each Wednesday (each, a "**Valuation Day**").

**Issue of shares**

Shares in the compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group.

A USD  
A USD Dist

C USD  
C USD Dist

D USD  
D USD Dist  
D GBP Dist

HA EUR  
HC EUR  
HD EUR

HA GBP  
HA GBP Dist

HC GBP  
HC GBP Dist

HA CHF  
HC CHF  
HD CHF

Class A shares may be offered to any category of investors specifically approved by the Board of Directors and/or the Management Company, including retail investors.

Class C shares may be offered to any category of investors specifically approved by the Board of Directors and/or the Management Company, including retail investors.

Class D shares are reserved only to institutional investors as defined from time to time by the guidelines or/and recommendations of the CSSF.

The minimum initial subscription amount for class A is 10,000 in the currency of the respective class of shares.

The minimum initial subscription amount for class C is 1,000,000 in the currency of the respective class of shares.

No minimum will apply in relation to class D.

The assets not denominated in US Dollar may be hedged in order to avoid any exposure to a currency other than the US Dollar.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is USD 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 4:00 p.m. three Luxembourg business days preceding a valuation day, the net asset value calculated for that valuation day will be applicable.

For any subscription received by the Central Administration Agent after 4:00 p.m. three Luxembourg business days preceding a valuation day, the applicable net asset value will be determined on the following valuation day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 4:00 p.m. five Luxembourg business days preceding a valuation day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 4:00 p.m. five Luxembourg business days preceding a valuation day, the applicable net asset value will be determined on the following valuation day.

Cut-off	Subscription: 4:00 p.m. Lux time, 3 Luxembourg business days before the Valuation Day Redemption: 4:00 p.m. Lux time, 5 Luxembourg business days before the Valuation Day Conversion(*): 4:00 p.m. Lux time, 5 Luxembourg business days before the Valuation Day
Valuation Day (Pricing Day)	Each Wednesday or if such day is a holiday in Luxembourg, the first following business day
Calculation Day	The first business day following the Valuation Day
Settlement Day	Subscription: within 2 Luxembourg business days following the relevant Calculation Day Redemption: within 2 Luxembourg business days following the relevant Calculation Day Conversion: within 2 Luxembourg business days following the relevant Calculation Day

(\*) Conversion: conversion orders between compartments with different Valuation day and Calculation Day are not allowed

### **Expenses and fees specific to the Compartment**

The compartment start-up costs will be amortised over a period of 5 years from launch of the compartment.

Management Company fee: Max 0.25% p.a.\* of the net assets of the Compartment.

Management fee for A USD: Max 2.5% p.a.\*

Management fee for A USD Dist: Max 2.5% p.a.\*

Management fee for C USD: Max 1.5% p.a.\*

Management fee for C USD Dist: Max 1.5% p.a.\*

Management fee for HA EUR: Max 2.5% p.a.\*

Management fee for HC EUR: Max 1.5% p.a.\*

Management fee for HA GBP: Max 2.5 % p.a.\*

Management fee for HA GBP Dist: Max 2.5 % p.a.\*

Management fee for HC GBP: Max 1.5 % p.a.\*

Management fee for HC GBP Dist: Max 1.5 % p.a.\*

Management fee for HA CHF: Max 2.5% p.a.\*

Management fee for HC CHF: Max 1.5% p.a.\*

Management fee for D USD: Max 1% p.a.\*

Management Fee for D USD Dist: Max 1% p.a.\*

Management fee for HD EUR: Max 1% p.a.\*

Management fee for HD CHF: Max 1% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

### **Performance fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the NAV, equivalent to 10% of the performance of the NAV per share (measured against the high water mark as defined below) over a hurdle rate of 5% p.a. *pro rata temporis*, calculated since the last performance fee payment, multiplied by the number of shares in circulation during the calculation period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

No performance fee will be due if the NAV per share before performance fee turns out to be below the High Water Mark for the relevant calculation period.

The high water mark is defined as the greater of the following two figures:

- The last highest NAV per share on which a performance fee has been paid and;
- The initial NAV per share.

hereafter referred to as the "High Water Mark".

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provisions have been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provisions for

performance fees are no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

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

Calculation period shall correspond to each calendar year.

The reference period for the calculation of the performance fee is the duration of the Compartment.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

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

F	=	0
		If $[(B / E - 1) - T * G / 365] \leq 0$
F	=	$[(B / E - 1) - T * G / 365] * E * C * A$
		If $[(B / E - 1) - T * G / 365] > 0$
The new high water mark	=	if $F > 0$ ; D If $F = 0$ ; E
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (10%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fees	=	F
Number of days since the last performance fee payment	=	G
Hurdle rate (5%)	=	T

**Example:**

	NAV before Perf Fee	HWM per share	NAV per share performance	Yearly hurdle performance	Cumulated hurdle perf <sup>(1)</sup>	Perf Fee	NAV after Perf Fee
Year 1:	112.00	100.00	12.00%	5.00%	5.00%	0.70	111.30
Year 2:	120.00	111.30	7.82%	5.00%	5.00%	0.31	119.69
Year 3:	117.00	119.69	-2.24%	5.00%	5.00%	0.00	117.00
Year 4:	128	119.69	6.95%	5.00%	10.00%	0.00	128.00
Year 5:	145.00	119.69	21.15%	5.00%	15.00%	0.74	144.26

- 1) Hurdle performance since the last Valuation Year at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 10%.

Year 1. The NAV per share performance (12%) is superior to the Hurdle performance (5%)  
The excess of performance is 7% and generates a performance fee equal to 0.7

Year 2: The NAV per share performance (7.82%) is superior to the Hurdle performance (5%)  
The excess of performance is 2.82% and generates a performance fee equal to 0.31

Year 3: The NAV per share performance (-2.24%) is inferior to the Hurdle performance since the last performance fees payment (5%)  
No performance fee is calculated

Year 4. The NAV per share performance (6.95%) is inferior to the Hurdle performance since the last performance fees payment (10%)  
No performance fee is calculated

Year 5. The NAV per share performance (21.15%) is superior to the Hurdle performance since the last performance fees payment (15%)  
The excess of performance is 5.39% and generates a performance fee equal to 0.74

## PWM FUNDS – Responsible Balanced EUR

### Profile of typical investor

The compartment is intended for investors who are looking for a moderate growth by investing in a diversified and actively managed multi assets investment portfolio for an investment period of 3 to 5 years.

The compartment takes into account sustainability risks and seeks the promotion of environmental and/or social characteristic within the meaning of Article 8 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, with the target to generate a better long-term risk/return profile.

### Objectives and Investment policy

The objective of the compartment PWM Funds – Responsible Balanced EUR (hereafter the "**Compartment**") is to provide balance between capital growth and the preservation of real value in the long term by offering an exposure to shares and bonds worldwide including emerging markets, through a wide-ranging allocation that reflects Pictet Group's blended investment strategy, with a Euro reference currency point of view.

The Compartment will mainly offer an exposure to the following two asset classes:

- equities and equity related securities (including but not limited to closed-ended REITS and depositary receipts such as, for example, ADR/GDR); and
- debt securities of any type (including non-investment grade debt securities up to 20%, distressed/defaulted securities, ABS/MBS, convertible bonds and reverse convertible bonds within the limits mentioned below, or any other type of debt instrument issued by public or private issuers) including Money Market Instruments.

In order to achieve its objective, the Compartment will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph;
- in UCITS and/or other UCIs, having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes; and/or
- in any transferable securities (such as structured products, as described below) linked (or offering an exposure) to the performance of the above-mentioned asset classes.

The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector and/or in a single asset class.

However, the Compartment may invest directly in the assets listed below, subject to the following limits:

- Convertible bonds up to 20% of the net assets;
- Contingent convertible bonds up to 10% of the net assets;
- Distressed/Defaulted securities up to 5% of the net assets;
- Investments in ABS/MBS will be limited to 10% of the Compartment's net assets;
- Investment in closed-ended collective real estate investments, such as closed-ended REITs, closed-ended real estate investment funds and closed-ended real estate investment companies will not exceed 10% of the net assets.

The Compartment will continuously invest at least 26% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.



Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 26% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

It is understood that due to the fact that the Compartment invests a substantial part of its assets in UCITS and/or other UCIs, the shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCITS and/or other UCIs will be 2%.

The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal Regulation of 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or a UCITS or other UCI, at all times in compliance with article 41 of the Law of 2010 and the Grand-Ducal Regulation of 8 February 2008. In compliance with the Grand-Ducal Regulation of 8 February 2008, the Compartment may also invest up to 20% of net assets in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.

Investments in Chinese companies will be made through ADRs, GDRs or Hong Kong listed Chinese companies (i.e. China H-shares) and via China A-shares. In order to invest in China A-shares, the Compartment may use the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect. These investments will not exceed 10% of the Compartment's net assets.

Investments in Russia, other than those which are listed on the Moscow Interbank Currency Exchange (MICEX) and on the Russian Trading System (RTS) (which are recognised as Regulated Markets), combined with investments that are made in other assets as referred in section 23.1 of the main body of the prospectus shall not exceed 10% of the net assets of the Compartment.

For hedging and for investment purposes, within the limits set out in the section "Investment restrictions" in the main body of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. The Compartment may take exposure through any financial derivative instruments such as but not limited to futures, options, contracts for difference, swaps (including credit default swaps) and forwards on underlyings in line with the Law of 2010 and any other related regulation as well as with the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices) and UCITS and other UCIs.

Exposure to commodities can also be achieved through eligible exchange-traded funds qualifying as (i) UCITS or other UCIs or (ii) transferable securities, respectively, in accordance with article 41 (1), e) of the Law of 2010.

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

The Compartment may use efficient portfolio management techniques within the limits described below as percentages of the Compartment's net assets:

	MAXIMUM PERCENTAGE	EXPECTED PERCENTAGE
Securities lending	30%	15%

The investment process promotes Environmental, Social and Governance (ESG) characteristics as described in the pre-contractual disclosure contained in Annex II to this prospectus.

### **Benchmark**

The Compartment is actively managed without reference to any benchmark index.

### **Global risk exposure**

The global risk exposure of the Compartment is monitored by the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

### **Risks**

The Compartment is subject to the specific risks related to investing in equities and debt securities, to investments through the Hong Kong Stock Connect and MICEX as well as to market volatility linked to the use of derivatives and structured products. Investors are advised to refer to the section on investment risks above for further information in this regard.

### **Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

### **Distribution Policy**

The Compartment has a capital growth policy and reinvests its income. However, shares of the Compartment may have the following features:

Capital accumulation shares are set up by default.

Capital distribution shares are identifiable by reference to "Dist" written in the share class name.

### **Reference currency**

The reference currency of the Compartment and of all share classes is the euro.

**Frequency of NAV calculation**

The NAV will be calculated on a daily basis, every business day (each, a "Valuation Day").

**Issue of shares**

Shares in the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group as follows:

- Class DE shares are reserved to all investors, including retail investors.
- Class G shares are reserved to all investors, including retail investors.
- Classes DE and G shares do not apply a minimum investment amount.
- Class S shares are reserved to any investor who invest and hold more than 5,000,000 in the currency of this class of shares.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

**Subscription**

The initial subscription price at launch for all share classes is EUR 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the net asset value calculated for that Valuation Day will be applicable.

For any subscription received by the Central Administration Agent after 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

**Redemptions**

For any redemption request received by the Central Administration Agent on or before 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

Cut-off	Subscription: 10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation Day Redemption: 10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation Day Conversion(*): 10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation
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**PWM FUNDS**

	Day
Valuation Day (Pricing Day)	Each Luxembourg business day or if such a day is a holiday in Luxembourg, the NAVs will be calculated on the next Luxembourg business day
Calculation Day	The first Luxembourg business day following the relevant Valuation Day.
Settlement Day	Subscription: within 2 Luxembourg business days after the relevant Valuation Day Redemption: within 4 Luxembourg business days after the relevant Valuation Day Conversion: within 4 Luxembourg business days after the relevant Valuation Day

(\*) Conversion: conversion orders between compartments with different Valuation day and Calculation Day are not allowed

**Expenses and fees specific to the Compartment**

The Compartment start-up costs will be amortised over a period of 5 years from launch of the Compartment.

Management company fee: Max 0.25 % p.a. of the net assets of the Compartment.

Management fee for DE: Max 2.5% p.a.\*

Management fee for G: Max 2.5% p.a.\*

Management fee for S: Max 0.5% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

**PWM FUNDS – Global REITs Selection****Profile of typical investor**

The Compartment is intended for investors who wish to participate in the real estate market globally for an investment period of 3 to 5 years.

**Objectives and investment policy**

The objective of the compartment PWM Funds - Global REITs Selection (hereafter the "**Compartment**") is to achieve - through investments in listed real estate securities – a risk and return profile comparable with the broader real estate market.

The Compartment will mainly offer exposure to equity and equity related securities (such as American and global depositary receipts, closed-ended collective real estate investments, closed-ended REITs, closed-ended real estate investment funds and closed-ended real estate investment companies) issued by companies that are engaged principally in the real estate industry.

In order to achieve its objective, the Compartment will mainly invest:

- directly in the securities mentioned in the previous paragraph; and/or
- in UCITS and other UCIs (within the 10% limit below mentioned) having as main objectives to invest or grant an exposure to the above mentioned asset classes; and/or
- in financial derivative instruments (such as but not limited to futures and options) having as underlying or offering exposure to the above mentioned asset classes.

The choice of investments will neither be limited to a geographic sector (including emerging countries) or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one currency.

However, the Compartment may not invest more than 20% of its net assets in emerging countries.

On an ancillary basis, the Compartment may invest up to 49% of its net assets in any other type of eligible assets, such as fixed income securities, debt securities, asset-backed securities and mortgage-backed securities, inflation-linked securities, structured products, and other UCIs (within the 10% limit below mentioned).

It is understood that:

- The Compartment may invest in inflation-linked securities up to 30% of its net assets.
- The Compartment may invest in structured products, with or without embedded derivatives, up to 10% of its net assets, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the Article 9 of the Grand-Ducal Regulation of 8 February 2008, currencies, exchange rates, transferable securities or a basket of transferable securities or a UCITS or other UCI provided that the underlying respects the investment policy and investment restrictions and complies with Article 41 of the Law of 2010 and Article 2 of the Grand-Ducal Regulation of 8 February 2008.
- Investments in asset-backed securities and mortgage-backed securities can be made, in aggregate up to 20% of the net assets of the Compartment.
- The Compartment may invest up to 10% of its net assets in non-investment grade securities (with the exception of securities qualifying as distressed/defaulted securities at the time of their acquisition). The Compartment will not invest more than 10% of its net assets in UCITS and/or other UCIs.

For hedging and for investment purposes, within the limits set out in Section 22 "Investment Restrictions" in the main body of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures, options, swaps and currency derivatives (such as forward foreign exchange contracts, non-delivery forwards).

The Compartment neither invests in total return swaps nor enters into securities lending or borrowing arrangements.

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

### **Benchmark**

The Compartment is actively managed without reference to any benchmark index.

### **Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

### **Investment Managers**

Banque Pictet & Cie S.A. and Pictet Asset Management S.A.

### **Global risk exposure**

The global risk exposure of the Compartment is monitored by the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

### **Risks**

The Compartment is subject to the specific risks related to investing in equity and debt securities, to investments in shares or units of undertakings for collective investment as well as to market volatility linked to the use of derivatives and structured products. Investors are advised to refer to the section on investment risks above for further information in this regard.

### **Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

**Distribution Policy**

The Compartment has a capital growth policy and reinvests its income. However, shares of the Compartment may have the following features:

Capital distribution shares are identifiable by reference to "Dist" written in the share class name.

Capital accumulation shares are identifiable by reference to "Acc" written in the share class name.

Hedged shares are identifiable by reference to an "H" written in the share class name.

The shares issued in a currency other than the reference currency of the Compartment (US Dollar) shall be hedged against US Dollar.

**Reference currency**

The reference currency is the US Dollar.

**Frequency of NAV calculation**

The NAV will be calculated on a daily basis (each day being a "**Valuation Day**").

**Issue of shares**

Shares in the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group.

I USD Acc  
I USD Dist  
HI EUR Acc  
HI CHF Acc  
HI GBP Dist  
HI EUR Dist  
P USD Acc  
HP EUR Acc  
HP CHF Acc  
HP GBP Dist

Class I shares may only be offered to institutional investors as defined from time to time by the guidelines or recommendations of the CSSF.

Class P shares may be offered to any category of investors specifically approved by the Board of Directors and/or the Management Company, including retail investors.

There will be no minimum initial subscription and holding amount for class I and class P.

The assets not denominated in US Dollar may be hedged in order to avoid any exposure to a currency other than the US Dollar.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is USD 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the net asset value calculated for that Valuation Day will be applicable.

For any subscription received by the Central Administration Agent after 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 10:00 a.m. two Luxembourg business days preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

Cut-off	Subscription: 10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation Day Redemption: 10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation Day Conversion(*):10:00 a.m. Lux time, 2 Luxembourg business days before the Valuation Day
Valuation Day (Pricing Day)	Each day or if such day is a holiday in Luxembourg, the first following business day
Calculation Day	The first Luxembourg business day following the relevant Valuation Day.
Settlement Day	Subscription: within 2 Luxembourg business days after the relevant Valuation Day Redemption: within 4 Luxembourg business days after the relevant Valuation Day Conversion: within 4 Luxembourg business days after the relevant Valuation Day

(\* ) Conversion: conversion orders between compartments with different Valuation day and Calculation Day are not allowed



**Expenses and fees specific to the Compartment**

The compartment start-up costs will be amortised over a period of 5 years from launch of the Compartment.

Management company fee: Max 0.25% p.a. of the net assets of the Compartment.

Management fee for I USD Acc: Max 2% p.a.\*

Management fee for I USD Dist: Max 2% p.a.\*

Management fee for HI EUR Acc Max 2% p.a.\*

Management fee for HI CHF Acc: Max 2% p.a.\*

Management fee for HI GBP Dist: Max 2% p.a.\*

Management fee for HI EUR Dist: Max 2% p.a.\*

Management fee for P USD Acc: Max 2,5% p.a.\*

Management fee for HP EUR Acc Max 2,5% p.a.\*

Management fee for HP CHF Acc: Max 2,5% p.a.\*

Management fee for HP GBP Dist: Max 2,5% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

**PWM FUNDS – Flexible Dynamic EUR****Profile of typical investor**

The compartment is intended for investors who wish to participate in market developments through a diversified investment portfolio for an investment period of 3 to 5 years.

**Objectives and investment policy**

The objective of the compartment PWM Funds – Flexible Dynamic EUR (hereafter the "**Compartment**") is to enable investors to benefit from the general investment expertise of the Pictet Group by offering the possibility to invest directly or indirectly in a global balanced portfolio.

The Compartment will mainly offer exposure to the following two asset classes:

- equities and equity related securities (such as depositary receipts (ADRs, GDRs), closed-ended REITS); and/or
- all types of debt securities (including non-investment grade securities up to 40%), including Money Market Instruments.

In order to achieve its objective, the Compartment will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph;
- in UCITS and/or other UCIs, having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes; and/or
- in any transferable securities (such as structured products, as described below) offering an exposure) to the above-mentioned securities/asset classes.

The allocation between asset classes is not limited and will vary depending on market conditions and Investment Manager's choices. However, without being a hard limit, the Compartment should be exposed to a maximum of 75% of its net assets to either the equity asset class or debt securities asset class.

The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

The Compartment may invest directly in the assets listed below, subject to the following limits:

- Contingent convertible bonds: up to 10% of the net assets;
- Distressed and Defaulted debt securities: up to 5% of the net assets;
- Investments in ABS/MBS will be limited to 10% of the Compartment's net assets;
- Investment in closed-ended collective real estate investments, such as closed-ended REITs, closed-ended real estate investment funds and closed-ended real estate investment companies can represent a maximum of 75% of the net assets.

The Compartment may get indirect exposure to catastrophe bonds up to 10% through investment in UCITS.

Investments in Russia, other than those which are listed on the Moscow Exchange MICEX-RTS, combined with investments that are made in other assets as referred in section 23.1 of the main body of the prospectus shall not exceed 10% of the net assets of the Compartment.

Investments in Chinese companies will be made through ADRs, GDRs or Hong Kong listed Chinese companies (i.e. China H-shares) and via China A-shares. In order to invest in China A-shares, the Compartment may use the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect. These investments will not exceed 10% of the Compartment's net assets.

It is understood that due to the fact that the Compartment invests a substantial part of its assets in UCITS and/or other UCIs, the shareholder is exposed to a possible duplication of fees and charges.

However, the maximum percentage of the fixed management fee at the level of the target UCITS and/or other UCIs will be 2%.

The Compartment may invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the Article 9 of the Grand-Ducal Regulation of 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or a UCITS or other UCI, at all times in compliance with Article 41 of the Law of 2010 and the Grand-Ducal Regulation of 8 February 2008.

In compliance with the Grand-Ducal Regulation of 8 February 2008, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

For hedging and for investment purposes, and within the limits of the investment restrictions as described in the main part of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market, any other regulated market or a stock exchange of an Other State and/or over-the-counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may, amongst other but not exclusively, invest in warrants, futures, options, swaps (such as contracts for difference or credit default swaps) and forwards whose underlyings are in line with the Law of 2010 and the investment policy of the Compartment, including *inter alia*, currencies (including non-delivery forwards), interest rates, transferable securities, a basket of transferable securities, indices (such as on commodities, on precious metals, on volatility, etc.), UCITS and other UCIs.

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

The Compartment may use efficient portfolio management techniques within the limits described below as percentages of the Compartment's net assets:

	MAXIMUM PERCENTAGE	EXPECTED PERCENTAGE
Securities lending	20%	0%

**Benchmark**

The Compartment is actively managed without reference to any benchmark index.

**Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

**Global risk exposure**

The global risk exposure of the Compartment is monitored using the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

**Risks**

The Compartment is subject to the specific risks related to investments in equity and in shares or units of UCITS and other UCIs, to interest rate risks related to investments in bonds as well as to market volatility linked to the use of derivatives and warrants. Investors are advised to refer to the section on investment risks above for further information in this regard.

**Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

**Distribution Policy**

The Compartment has a capital growth policy and reinvests its income; therefore no dividend shall be distributed.

Capital accumulation shares are identifiable by reference to "Acc" written in the share class name.

**Reference currency**

The reference currency of the Compartment and of all the share classes is the Euro.

**Frequency of NAV calculation**

The NAV will be calculated on a weekly basis, on the first Luxembourg business day following the Valuation Day (which is each Monday or if such day is a holiday in Luxembourg, the first following business day) (each, a "**Calculation Day**").

**Issue of shares**

Shares of the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group (investors under (i) and (ii) together hereafter referred to as the "**Customers**").

The following share classes are available for subscription:

A EUR – Acc  
B EUR Acc  
I EUR – Acc

Class A shares may be offered to any category of Customers.

Class B shares may be offered to any category of Customers investing more than EUR 10 million in the Compartment.

Class I shares may only be offered to Customers which qualify as institutional investors as defined from time to time by the guidelines or recommendations of the CSSF.

The assets not denominated in EUR may be hedged in order to avoid any exposure to a currency other than the EUR.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is EUR 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 4.00 p.m. on the Valuation Day, the net asset value calculated for that Valuation Day will be applicable.

For any subscription received by the Central Administration Agent after 4.00 p.m. on the Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 4.00 p.m. on the Valuation Day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 4.00 p.m. on the Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

Cut-off	Subscription: 4.00 p.m. Lux time, on the Valuation Day Redemption: 4.00 p.m. Lux time, on the Valuation Day Conversion(*): 4.00 p.m. Lux time, on the Valuation Day
Valuation Day (Pricing Day)	Each Monday, or if such day is a holiday in Luxembourg, the first following business day
Calculation Day	The first Luxembourg business day following the relevant Valuation Day.
Settlement Day	Subscription: within 6 Luxembourg business days after the relevant Valuation Day Redemption: within 6 Luxembourg business days after the relevant Valuation Day Conversion: within 6 Luxembourg business days after the relevant Valuation Day

(\*) Conversion: conversion orders between compartments with different Valuation Days and Calculation Days are not allowed

### **Expenses and fees specific to the Compartment**

Management company fee: 0.06% p.a. of the net assets of the Compartment.

Management fee for A EUR Acc: Max 1.5% p.a.\*

Management fee for B EUR Acc: Max 1% p.a.\*

Management fee for I EUR Acc: Max 1.5% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

**Performance fee**

With the exception of class B for which no performance fee will be levied, the Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV), equivalent to 20% of the performance of the NAV per share exceeding the High Water Mark (as defined hereafter), multiplied by the number of Shares in circulation during the calculation period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

No performance fee will be due if the NAV per share before performance fee turns out to be below the High Water Mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest NAV per share on which a performance fee has been paid and;
- The initial NAV per share.

hereafter referred to as the "High Water Mark".

The high water mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

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

Calculation period shall correspond to each calendar year.

The reference period for the calculation of the performance fee is the duration of the Compartment.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

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

$$F = 0 \quad \text{If } (B / E - 1) \leq 0$$

$$F = (B / E - 1) * E * C * A \quad \text{If } (B / E - 1) > 0$$

The new high water mark = if  $F > 0$ ; D

**PWM FUNDS**

If F=0; E

Number of shares outstanding = A  
 NAV per share before performance = B  
 Performance fee rate (20%) = C  
 NAV per share after performance = D  
 High water mark = E  
 Performance fees = F

**Example**

	NAV before Perf Fee	HWM per share	MonthlyNAV per share performance	NAV per share performance / HWM	Perf Fee	NAV after Perf Fee
Year 1:	110	100	10.00%	10.00%	2	108
Year 2:	115	108	6.48%	6.48%	1.4	113.60
Year 3:	108	113.60	-4.93%	-4.93%	0.00	108
Year 4:	112	113.60	3.70%	-1.41%	0.00	112
Year 5:	118	113.60	5.36%	3.87%	0.88	117.12

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance is 10%. The excess of performance over the HWM is 10% and generates a performance fee equal to 2

Year 2: The NAV per share performance is 6.48%. The excess of performance over the HWM is 6.48% and generates a performance fee equal to 1.4

Year 3: The NAV per share performance is -4.93%. The underperformance over the HWM is -4.93% No performance fee is calculated

Year 4: The NAV per share performance is 3.70%. The underperformance over the HWM is -1.41% No performance fee is calculated

Year 5: The NAV per share performance is 5.36%. The excess of performance over the HWM is 3.87% and generates a performance fee equal to 0.88

## PWM FUNDS – Flexible Conservative EUR

### Profile of typical investor

The compartment is intended for investors who wish to participate in market developments through a diversified investment portfolio for an investment period of 3 to 5 years.

### Objectives and investment policy

The objective of the compartment PWM Funds – Flexible Conservative EUR (hereafter the "**Compartment**") is to enable investors to benefit from the general investment expertise of the Pictet Group by offering the possibility to invest directly or indirectly in a global balanced portfolio.

The Compartment will mainly offer exposure to the following two asset classes:

- equities and equity related securities (such as depositary receipts (ADRs, GDRs), closed-ended REITS); and/or
- all types of debt securities (including non-investment grade debt securities up to 40%), including Money Market Instruments.

In order to achieve its objective, the Compartment will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph;
- in UCITS and/or other UCIs, having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes; and/or
- in any transferable securities (such as structured products, as described below) offering an exposure) to the above-mentioned securities/asset classes.

The allocation between asset classes is not limited and will vary depending on market conditions and Investment Manager's choices. However, without being a hard limit, the Compartment can be exposed to 100% of its net assets to the debt securities asset class and the equity asset class should not represent more than 40% of the Compartment's net assets.

The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

The Compartment may invest directly in the assets listed below, subject to the following limits:

- Contingent convertible bonds: up to 10% of the net assets;
- Distressed and Defaulted debt securities: up to 5% of the net assets;
- Investments in ABS/MBS will be limited to 10% of the Compartment's net assets;
- Investment in closed-ended collective real estate investments, such as closed-ended REITs, closed-ended real estate investment funds and closed-ended real estate investment companies can represent a maximum of 75% of the net assets.

The Compartment may get indirect exposure to catastrophe bonds up to 10% through investment in UCITS.

Investments in Russia, other than those which are listed on the Moscow Exchange MICEX-RTS, combined with investments that are made in other assets as referred in section 23.1 of the main body of the prospectus shall not exceed 10% of the net assets of the Compartment.

Investments in Chinese companies will be made through ADRs, GDRs or Hong Kong listed Chinese companies (i.e. China H-shares) and via China A-shares. In order to invest in China A-shares, the Compartment may use the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect. These investments will not exceed 10% of the Compartment's net assets.



It is understood that due to the fact that the Compartment invests a substantial part of its assets in UCITS and/or other UCIs, the shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCITS and/or other UCIs will be 2%.

The Compartment may invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the Article 9 of the Grand-Ducal Regulation of 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or a UCITS or other UCI, at all times in compliance with Article 41 of the Law of 2010 and the Grand-Ducal Regulation of 8 February 2008.

In compliance with the Grand-Ducal Regulation of 8 February 2008, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

For hedging and for investment purposes, and within the limits of the investment restrictions as described in the main part of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market, any other regulated market or a stock exchange of an Other State and/or over-the-counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may, amongst other but not exclusively, invest in warrants, futures, options, swaps (such as contracts for difference or credit default swaps) and forwards whose underlyings are in line with the Law of 2010 and the investment policy of the Compartment, including *inter alia*, currencies (including non-delivery forwards), interest rates, transferable securities, a basket of transferable securities, indices (such as on commodities, on precious metals, on volatility, etc.), UCITS and other UCIs.

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

The Compartment may use efficient portfolio management techniques within the limits described below as percentages of the Compartment's net assets:

	MAXIMUM PERCENTAGE	EXPECTED PERCENTAGE
Securities lending	20%	0%

### **Benchmark**

The Compartment is actively managed without reference to any benchmark index.

### **Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

**Global risk exposure**

The global risk exposure of the Compartment is monitored using the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

**Risks**

The Compartment is subject to the specific risks related to investments in equity and in shares or units of UCITS and other UCIs, to interest rate risks related to investments in bonds as well as to market volatility linked to the use of derivatives and warrants. Investors are advised to refer to the section on investment risks above for further information in this regard.

**Past Performance**

The performance of the Compartment is mentioned in the KIID of the Compartment. In this respect, the attention of investors is drawn to the fact that past performance is not a reliable indicator of future performance. The value of shares and their income may increase as well as decrease, and investors may not receive back the full amount invested.

**Distribution Policy**

The Compartment has a capital growth policy and reinvests its income; therefore no dividend shall be distributed.

Capital accumulation shares are identifiable by reference to "Acc" written in the share class name.

**Reference currency**

The reference currency of the Compartment and of all the share classes is the Euro.

**Frequency of NAV calculation**

The NAV will be calculated on a weekly basis, on the first Luxembourg business day following the Valuation Day (which is each Monday or if such day is a holiday in Luxembourg, the first following business day) (each, a "**Calculation Day**").

**Issue of shares**

Shares of the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group (investors under (i) and (ii) together hereafter referred to as the "**Customers**").

The following share classes are available for subscription:

A EUR – Acc

Class A shares may be offered to any category of Customers.

The assets not denominated in EUR may be hedged in order to avoid any exposure to a currency other than the EUR.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is EUR 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 4.00 p.m. on the Valuation Day, the net asset value calculated for that Valuation Day will be applicable.

For any subscription received by the Central Administration Agent after 4.00 p.m. on the Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 4.00 p.m. on the Valuation Day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 4.00 p.m. on the Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

Cut-off	Subscription: 4.00 p.m. Lux time, on the Valuation Day Redemption: 4.00 p.m. Lux time, on the Valuation Day Conversion(*):4.00 p.m. Lux time, one the Valuation Day
Valuation Day (Pricing Day)	Each Monday, or if such day is a holiday in Luxembourg, the first following business day
Calculation Day	The first Luxembourg business day following the relevant Valuation Day.
Settlement Day	Subscription: within 6 Luxembourg business days after the relevant Valuation Day Redemption: within 6 Luxembourg business days after the relevant Valuation Day Conversion: within 6 Luxembourg business days after the relevant Valuation Day

(\*) Conversion: conversion orders between compartments with different Valuation Days and Calculation Days are not allowed

### **Expenses and fees specific to the Compartment**

Management company fee: 0.06% p.a. of the net assets of the Compartment.

Management fee for A EUR Acc: Max 1% p.a.\*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

**Performance fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV), equivalent to 10% of the performance of the NAV per share exceeding the High Water Mark (as defined hereafter), multiplied by the number of Shares in circulation during the calculation period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

No performance fee will be due if the NAV per share before performance fee turns out to be below the High Water Mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest NAV per share on which a performance fee has been paid and;
- The initial NAV per share.

hereafter referred to as the "High Water Mark".

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

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

Calculation period shall correspond to each calendar year.

The reference period for the calculation of the performance fee is the duration of the Compartment.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

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

$$F = 0 \quad \text{If } (B / E - 1) \leq 0$$

$$F = (B / E - 1) * E * C * A \quad \text{If } (B / E - 1) > 0$$

The new high water mark = if  $F > 0$ ; D

**PWM FUNDS**

If F= 0 ; E

- Number of shares outstanding = A
- NAV per share before performance = B
- Performance fee rate (10%) = C
- NAV per share after performance = D
- High water mark = E
- Performance fees = F

**Example**

	NAV before Perf Fee	HWM per share	Yearly NAV per share performance	NAV per share performance / HWM	Perf Fee	NAV after Perf Fee
Year 1:	110	100	10.00%	10.00%	1	109
Year 2:	115	109	5.50%	5.50%	0.60	114.40
Year 3:	108	114.40	-5.59%	-5.59%	0.00	108
Year 4:	112	114.40	3.70%	-2.10%	0.00	112
Year 5:	118	114.40	5.36%	3.15%	0.36	117.64

With a performance fee rate equal to 10%.

Year 1: The NAV per share performance is 10%. The excess of performance over the HWM is 10% and generates a performance fee equal to 1

Year 2: The NAV per share performance is 5.50%. The excess of performance over the HWM is 5.50% and generates a performance fee equal to 0.6

Year 3: The NAV per share performance is -5.59%. The underperformance over the HWM is -5.59% No performance fee is calculated

Year 4: The NAV per share performance is 3.70%. The underperformance over the HWM is -2.10% No performance fee is calculated

Year 5: The NAV per share performance is 5.36%. The excess of performance over the HWM is 3.15% and generates a performance fee equal to 0.36

**PWM FUNDS – Global Corporate Defensive****Profile of typical investor**

The compartment is intended for investors who wish to participate in global corporate bond market for an investment period of 3 to 5 years.

**Objectives and investment policy**

The objective of the compartment PWM Funds – Global Corporate Defensive (hereafter the "**Compartment**") is to provide capital growth over the mid to long term with a moderate volatility.

The Compartment will mainly offer an exposure to corporate debt securities (including money market instruments) of any type.

The Compartment will mainly invest:

- directly in the securities mentioned in the previous paragraph;
- in UCITS and/or other UCIs (limited to 10% of the net assets of the Compartment), having as main objective to invest or grant an exposure to the above-mentioned securities;
- in any transferable securities (such as structured products, as described below) linked (or offering an exposure) to the performance of the above-mentioned securities.

The choice of investments will neither be limited to a geographic sector (including emerging countries up to 45% of the net assets of the Compartment), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

On an ancillary basis, the Compartment may be exposed to debt securities other than those above-mentioned, and may also invest in structured products other than those above-mentioned.

It is understood that:

- The Compartment may invest in non-investment grade debt securities and non-rated debt securities up to 40% of its net assets.
- The Compartment may invest indirectly in asset-backed securities and mortgage backed securities up to 20% of its net assets.
- The Compartment may invest in convertible bonds of any type (including contingent convertible bonds) up to 20% of its net assets.
- The expected average credit rating of the Compartment's portfolio will be BBB- (S&P notation) or an equivalent credit rating from other recognized credit rating agencies.
- For avoidance of any doubt, the Compartment will not invest in (i) distressed/defaulted debt securities (ii) loans and (iii) directly in asset-backed securities and mortgage backed securities.
- Investments in China may be performed, inter alia, on the China Interbank Bond Market ("CIBM"). Investments in China may also be performed on any acceptable securities trading and clearing linked programs or access instruments which may be available to the Compartment in the future. These investments will not exceed 10% of the Compartment's net assets.

The Compartment may invest up to 10% of its net assets in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the Article 9 of the Grand-Ducal Regulation of 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or a UCITS or other UCI, at all times in compliance with Article 41 of the Law of 2010 and the Grand-Ducal Regulation of 8 February 2008.

In compliance with the Grand-Ducal Regulation of 8 February 2008, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.

For hedging and for investment purposes, within the limits set out in the section "Investment restrictions" in the main body of the prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. The Compartment may take exposure through any financial derivative instruments such as but not limited to futures, options, contracts for difference, swaps (including credit default swaps) and forwards on underlyings in line with the Law of 2010 and any other related regulation as well as with the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices and UCITS and other UCIs.

Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures or swaps (such as credit default swaps) offering an exposure to debt securities and currency derivatives (such as forward foreign exchange contracts).

In order to achieve its investment goals and for treasury purposes, the Compartment may also invest in bank deposits, Money Market Instruments or money market funds, pursuant to the applicable investment restrictions. For defensive purposes in the best interest of shareholders, the Compartment may invest up to 100% of its net assets in these instruments on a temporary basis.

The Compartment may use efficient portfolio management techniques within the limits described below as percentages of the Compartment's net assets:

	MAXIMUM PERCENTAGE	EXPECTED PERCENTAGE
Securities lending	0%	0%

### **Benchmark**

The Compartment is actively managed. The Bloomberg Barclays Global Aggregate Corporate 1-10Y benchmark (BPLCTRUH Index) is used for comparison purposes only as part of the calculation of the global risk exposure (as detailed below).

### **Taxonomy Regulation**

The Compartment does not promote environmental and/or social characteristics nor has sustainable investment as its objective (as provided by Article 8 or 9 of the SFDR).

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

### **Global risk exposure**

The global risk exposure will be expressed in relative VaR, which has been selected in relation to the Compartment for measuring risk and the maximum potential loss that can arise at a given confidence level over a specific time period under normal market conditions. The VaR of the Compartment is divided by the VaR of the Bloomberg Barclays Global Aggregate Corporate 1-10Y benchmark (BPLCTRUH Index), generating a ratio known as relative VaR. Under Luxembourg Law relative VaR limits are currently twice or 200% of the benchmark VaR. The expected level of leverage of the Compartment is 300% (gross commitment). This figure is computed as the sum of the absolute notional

of the financial derivative instruments (FDI). Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Compartment and/or generate a higher market exposure.

### **Risks**

The Compartment is subject to the specific risks related to investing in debt securities of any type (including non-investment grade and non-rated debt securities), in asset-backed and mortgage-backed securities, and in shares or units of UCITS and other UCIs, to interest rate risks related to investments in bonds, to investments through the CIBM as well as to market volatility linked to the use of derivatives and structured products. Investors are advised to refer to the section on investment risks above for further information in this regard.

### **Distribution Policy**

The Compartment has a capital growth policy and reinvests its income. However, shares of the Compartment may have the following features:

Capital distribution shares are identifiable by reference to "Dist" written in the share class name.

Capital accumulation shares are identifiable by reference to "Acc" written in the share class name.

Hedged shares are identifiable by reference to an "H" written in the share class name.

The shares issued in a currency other than the reference currency of the Compartment (US Dollar) shall be hedged against US Dollar.

### **Reference currency**

The reference currency of the Compartment is the US Dollar.

### **Frequency of NAV calculation**

The NAV will be calculated on a daily basis, every business day (each, a "**Valuation Day**").

### **Issue of shares**

Shares in the Compartment are reserved and can only be purchased, held and transferred by (i) customers of the Pictet Group (as long as they remain Pictet Group customers) and (ii) customers introduced by the Pictet Group.

A USD Acc  
A USD Dist

B USD Acc  
B USD Dist

HA EUR Acc  
HA EUR Dist

HA GBP Acc  
HA GBP Dist



HB EUR Acc  
HB EUR Dist  
HB GBP Acc  
HB GBP Dist

HA CHF Acc  
HB CHF Acc

C USD Acc

HC EUR Acc

HC CHF Acc

D USD Acc  
D USD Dist

HD EUR Acc  
HD EUR Dist

HD GBP Acc  
HD GBP Dist

HD CHF Acc  
HD CHF Dist

Class A shares are reserved to clients who invest a minimum of 1,000,000 USD.

Class B shares are reserved to all clients including retail investors.

Class C shares may be offered to any category of investors specifically approved by the Board of Directors and/or the Management Company, including retail investors.

Class D shares are reserved only to institutional investors as defined from time to time by the guidelines or/and recommendations of the CSSF.

No minimum will apply in relation to class B.

The minimum initial subscription amount for class C is 1,000,000 in the currency of the respective class of shares.

The assets not denominated in US Dollar may be hedged in order to avoid any exposure to a currency other than the US Dollar.

The Board of Directors is entitled to launch additional share classes with similar features as those applicable to the above share classes (whether Distribution Shares or Accumulation Shares) but with a different reference currency than the reference currency of the current share classes abovementioned. The prospectus will be amended accordingly at its next update.

### **Subscription**

The initial subscription price at launch for all share classes is USD 100 (or 100 in the currency of the relevant share class), unless otherwise decided by the Board of Directors and as communicated to the investors in the relevant share class prior to its launch.

For any subscription received by the Central Administration Agent on or before 10:00 a.m. on the Luxembourg business day preceding a Valuation Day, the net asset value calculated for that Valuation Day will be applicable.

For any subscription received by the Central Administration Agent after 10:00 a.m. on the Luxembourg business day preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

A subscription fee up to maximum 5% of the net asset value of the shares subscribed can be charged for the benefit of the Compartment.

### **Redemptions**

For any redemption request received by the Central Administration Agent on or before 10:00 a.m. on the Luxembourg business day preceding a Valuation Day, the net asset value calculated on that date will be applicable.

For any redemption request received by the Central Administration Agent after the deadline of 10:00 a.m. on the Luxembourg business day preceding a Valuation Day, the applicable net asset value will be determined on the following Valuation Day.

Cut-off	Subscription: 10:00 a.m. Lux time, 1 Luxembourg business day before the Valuation Day Redemption: 10:00 a.m. Lux time, 1 Luxembourg business day before the Valuation Day Conversion(*): 10:00 a.m. Lux time, 1 Luxembourg business day before the Valuation Day
Valuation Day (Pricing Day)	Each Luxembourg business day or if such a day is a holiday in Luxembourg, the NAVs will be calculated on the next Luxembourg business day
Calculation Day	The first Luxembourg business day following the relevant Valuation Day.
Settlement Day	Subscription: within 2 Luxembourg business days after the relevant Valuation Day Redemption: within 4 Luxembourg business days after the relevant Valuation Day Conversion: within 4 Luxembourg business days after the relevant Valuation Day

(\*) Conversion: conversion orders between compartments with different Valuation day and Calculation Day are not allowed

### **Expenses and fees specific to the Compartment**

The Compartment start-up costs will be amortised over a period of 5 years from launch of the Compartment.

Management company fee: Max 0.25% p.a. of the net assets of the Compartment.

Management fee for A: Max 2% p.a.\*

Management fee for B: Max 2.5% p.a. \*

Management fee for C: Max 1.5% p.a. \*

Management fee for D: Max 1% p.a. \*

\* The maximum management fees are calculated based on the average net asset value of the relevant share class.

**ANNEX II:  
Pre-contractual disclosure for the financial products 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:** PWM Funds-  
Responsible Balanced EUR

**Legal entity identifier:**  
222100PZEMJIEKI9Q842

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

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

**Environmental and/or social characteristics**

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

**Yes**

**No**

- It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

- It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promotes E/S characteristic, but **will not make any sustainable investments**



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

The Compartment adopts a holistic approach combining the monitoring of issuers and funds environmental and social characteristics, the analysis of their level of sustainability risks, the implementation of clear screening criteria and of portfolio construction rules.

In particular, regarding collective investments, representing the majority of its investments, the compartment invests in best-in class funds that complies with Article 8 or 9 under Regulation EU 2019/2088 on sustainability-related disclosures in the financial

services sector (the "SFDR Regulation"), or in funds with an ESG score<sup>1</sup> of minimum 4, for at least 60% of its assets invested in collective investments. In addition, all actively managed funds need to have a ESG score<sup>1</sup> of minimum 2 to be included in the investment universe.

<sup>1</sup> *This indicator is based on the Investment Manager's own due diligence assessment of the fund and ESG scoring methodology. It includes a detailed firm and fund level questionnaire, assessing firm level responsible investing policy, the investment process, active ownership policy and the fund's ESG monitoring & reporting. ESG scores ranges from 1 to 5 with 1 being "Laggards" and 5 being "Leaders".*

Regarding investments in direct securities of issuers, the compartment applies pre-defined exclusions, namely issuers with significant involvement in high-risk activities (e.g. thermal coal, arctic drilling, oil sands, shale energy, weapons, tobacco, adult entertainment, GMO, pesticides) and/or that severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.

Finally, to enhance the promotion of those characteristics, the compartment monitors investee company's overall ESG risk, the quality of corporate governance and its carbon intensity.

**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 environmental or social characteristics are:

Funds:

- Exposure to funds (by weight) classified as Article 8 or 9 of the SFDR Regulation, or with ESG score of minimum 4 (as defined above).

Direct Securities of issuers:

- Exposure to companies (by weight) that derive significant revenues from high-risk activities (as defined above)
- Exposure to companies (by weight) with severe violations to UNGC principles (as defined above)

● ***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 Compartment intends to partially invest in economic activities that contribute to at least one of the following environmental and/or social objectives:

Type of sustainable investments:

Taxonomy-aligned (Climate change mitigation; Climate change adaptation)

Other environmental (Sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, or protection and restoration of biodiversity and ecosystems)

Social (Inclusive and sustainable communities, adequate living standards and well-being for end users, or decent work)

This is achieved by investing:

- in securities financing fully or partially economic activities that contribute to the environmental and/or social objectives listed above. Eligible securities include equities and bonds issued by companies with a proportion of activities (as measured by revenue, EBIT, enterprise value or similar metrics) derived from such economic activities.

- in funds classified as Article 8 or Article 9 that invest in securities financing partially or fully economic activities that contribute to the environmental and/or social objectives.

● ***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?***

When investing in securities financing fully or partially economic activities that contribute to the environmental and/or social objectives and subject to data availability, the investment manager applies internal do not harm criteria to determine eligibility of relevant economic activities to be classified as environmentally or socially sustainable.

When investing in funds classified as Article 8 or Article 9 that invest in securities financing partially or fully economic activities that contribute to the environmental and/or social objectives, the investment manager evaluates the fund's "do not cause significant harm" disclosure, to the extent such disclosures can be obtained.

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

The Compartment considers and, where possible, mitigates adverse impacts of its investments on society and the environment by investing the majority of its assets in funds classified as Article 8 or 9 under SFDR regulation as well as through a combination of portfolio management decisions, active ownership activities, and for direct investments in securities of corporate issuers, through the exclusion of issuers associated with controversial conduct or activities.

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

**Direct securities of issuers:** the Compartment excludes issuers that are subject to severe controversies in areas such as human rights, labour standards, environmental protection, and anti-corruption.

**Funds:** when investing in funds classified as Article 8 or Article 9 that invest in securities financing partially or fully economic activities that contribute to the environmental and/or social objectives, the investment manager evaluates the fund's disclosure with

*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.*

regards to the alignment with these guidelines and principles, to the extent such disclosures can be obtained.



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

Yes, the Compartment considers and, where possible, mitigates adverse impacts of its investments on society and the environment by investing most of its assets in funds classified as Article 8 or 9 under SFDR regulation as well as through a combination of portfolio management decisions, active ownership activities, and for direct investments in securities of corporate issuers, through the exclusion of issuers associated with controversial conduct or activities.

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



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

The objective of the product is to provide balance between capital growth and the preservation of real value in the long term. The investment strategy follows a diversified, actively managed approach that aims at investing responsibly across a wide range of asset classes and currencies while optimizing risk-adjusted returns. The investment process promotes Environmental, Social and Governance (ESG) characteristics. When selecting investments, the Compartment adopts a best-in-class approach which seeks to invest in securities and funds with low sustainability risks while avoiding those with high sustainability risks. The Investment Manager uses its proprietary ESG scorecard while selecting direct single equity and credit positions. The analysis is based on four pillars: Corporate Governance (e.g., remuneration, board composition), Product and services (e.g., % of Green revenues, revenues from high risk activities), Operational risks (e.g. Carbon Intensity) and Controversies (e.g. social supply and/or chain incidents, business ethics incidents).

The Investment Manager uses a dedicated proprietary ESG due diligence questionnaire to support the funds selection process. The questionnaire is reviewed periodically and is based on four pillars: Firm level policy, Investment process, Active ownership and Monitoring & reporting.

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

***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 Compartment’s binding elements include:

Collective investments mainly in best-in-class funds with low sustainability risks, either classified as Article 8 or 9 of the Transparency Regulation or with ESG score of minimum 4. Exclusion of actively managed funds with high sustainability risks, namely those that have and ESG score as defined by the Investment Manager of less than 2

Those collective investments shall represent at least 60% of the compartment’ assets invested in collective investments.

Exclusion of issuers with high sustainability risks, namely those that:

- are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons
- derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon-related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail
- severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.

For detailed explanation about our responsible investing framework, please refer to Pictet Wealth Management Responsible Investment Policy on <http://www.group.pictet/wealth-management/aiming-be-responsible>.

The Investment Manager relies on various sources of information to analyse and monitor potential investments (including third party data and internal proprietary analysis) and to ensure compliance with defined binding elements and exclusions. The Investment Manager retains full discretion over the implementation of exclusion criteria and reserves the right to deviate from third-party information on a case-by-case basis in instances where it is deemed incorrect or incomplete, for example in the case a company is undergoing a sustainable transformation. Such exemptions may be initiated by investment teams and must be supported by a written rationale subject to validation by senior members of the investment platform and need to be monitored on an on-going basis.

This strategy is implemented in the investment process continuously by pre-trade and post-trade checks against the binding elements performed by Portfolio Management as well as Investment Risk teams.

Furthermore, active ownership through engagement and proxy voting is intended to improve the long-term sustainability of the businesses we invest in. Please refer to the Manager's Responsible Investment Policy for more information on our active ownership activity.

● ***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?**

The Compartment assesses company decision-making processes and controls, as well as how management balances the interests of shareholders, employees, suppliers, customers, the community and other stakeholders. Assessed areas may include:

- the composition of the executive team and board of directors, including the experience, diversity and distribution of roles, along with succession planning and board evaluation
- executive remuneration, including short term and long-term incentives and their alignment with investor interests
- risk control and reporting, including auditor independence and tenure
- shareholder rights, including one-share-one-vote and related-party transactions

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



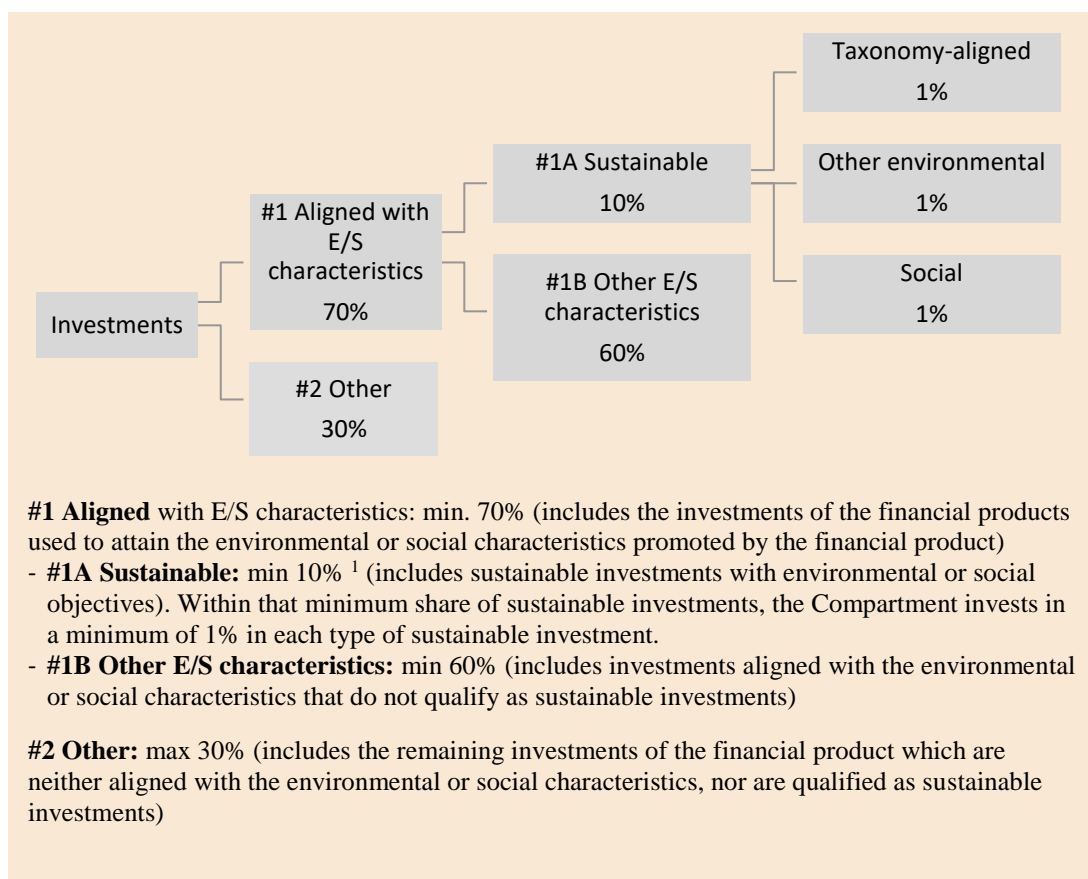
When investing in funds classified as Article 8 or Article 9, the investment manager evaluates the fund's policy on good governance practices, to the extent such policy can be obtained.



**Asset allocation** describes the share of investments in specific asset classes

### What is the asset allocation planned for this financial product?

The Compartment invests mainly in direct securities and in funds.



<sup>1</sup>Methodology for sustainable investment calculation: for all investments in direct securities, figures are calculated on a revenue weighted approach. When analyzing an investee company, only the share of revenue from activities with an environmental or social objective is taken into account. Example: If 10% of a company's revenue are generated from such activities then only 10% of the market value or of the investment in the company, is considered sustainable. For investments in Environmental and/or social labelled bonds, the full market value of the bond counts as sustainable. For indirect investment in securities made via collective investments, figures are calculated by the relevant underlying fund, which may apply a different methodology (e.g. a pass/fail approach)

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

Should the Compartment use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Compartment.

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

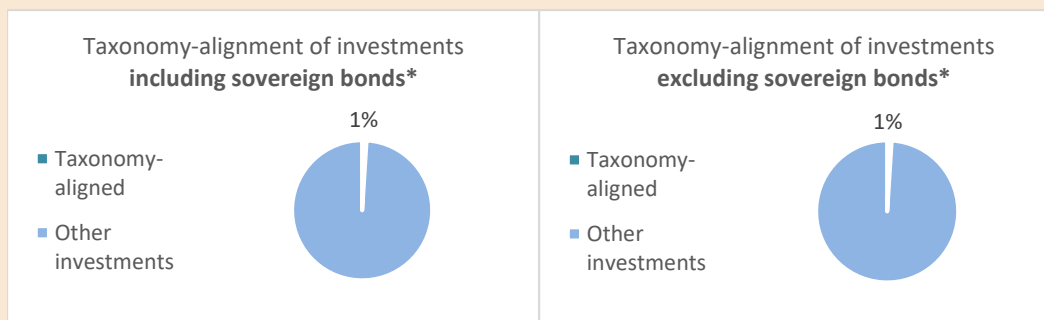
The Compartment invests in a minimum of 1% of sustainable investments with an environmental objective aligned with the EU Taxonomy.

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.



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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

 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 investments in transitional and enabling activities?**

0%

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



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

The Compartment invests in a minimum of 1% of sustainable investments with an environmental objective not aligned with the EU Taxonomy.

**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.



**What is the minimum share of socially sustainable investments?**

The Compartment invests in a minimum of 1% of sustainable investments with a social objective.

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

The Compartment's "other" investments include cash, exposure to gold and derivatives and may also include government bonds fund or emerging market corporate debt fund not classified as Art 8 or 9 under SFDR regulation for diversification purpose. Minimum safeguards are covered by our dedicated proprietary ESG due diligence (exclusions of active managers with an ESG score below 2).

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

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.



- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable.
- *How does the designated index differ from a relevant broad market index?*  
Not applicable.
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable.



**Where can I find more product specific information online.**

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

<https://assetservices.group.pictet/asset-services/fund-library/lu/en/financial-intermediary/funds>

**ANNEX III: PRIVACY NOTICE**

English Version updated as at December 2018 and issued in relation to the Fund

We first invite you to familiarise yourselves with the few following key players as we will extensively refer to them in this Privacy Notice:

1. *Personal data* is any information relating to a data subject.
2. A *data subject* is a living natural person identified or identifiable in relation to her/his personal data.
3. An *investor* is any person (natural or not) investing, soliciting or solicited to invest, in the Fund.
4. A *controller* determines the purposes and means of personal data processing.
5. A *joint controller* is a controller that determines the purposes and means of personal data processing with another controller.
6. A *processor* processes personal data on behalf of, and upon instruction from, one or more controllers.

**1. Categories of data subjects**

**Who are the data subjects in relation to whom we process personal data?**

The majority of data subjects in relation to whom we process personal data fall into one or more of the three main categories of data subjects described in the table below ("you", "your" and more generally together the "data subjects").

Categories of data subjects	Description
Investing Persons	The Investing Persons category groups the investors who are natural persons, the natural persons (such as beneficial owners or family members) who are associated with investors, as well as the natural persons involved in entities (in particular intermediary companies, trusts or other vehicles) associated with investors.
Fund Persons	The Fund Persons category groups the natural persons who belong or may belong to the staff, team, governing body, committees or similar body of the Fund; and/or who are (to be) remunerated by the Fund in relation to their activities for the Fund.
Other Persons	The Other Persons category groups the natural persons (other than the Investing or Fund Persons) who, directly or within third-party entities, are involved in the Fund's activities. These third-party entities include among others the Fund's Management Company, as well as authorities or service providers (such as regulators, depositaries, administration agents, auditors or professional advisers) supervising, assisting and/or contributing otherwise to the Fund's activities.

The above table uses terms such as "associated", "involved", "belong", "supervising", "assisting" and "contributing". As a natural person, you may be so associated, involved, belonging to, assisting and/or contributing in an unlimited number of private, public and/or professional capacities, including – without limitation – as employee or self-employed, client, proxy-holder, authorised signatory, representative, nominee, intermediary, board or committee member, trustee, settlor, agent, officer, delegate, consultant and/or adviser.

**2. Categories of personal data**

**What are the categories of personal data that we process?**

As a general rule we reserve the right to process any past, present or future personal data needed to attain the purposes described or referred to in this Privacy Notice. However, in the table below we have listed the main categories of personal data we process together with a few illustrations. Please note that these illustrations are not exhaustive and that certain illustrations may belong to one or more categories of personal data, whether or not we have a contractual relationship with any of them or the entity they represent or work for.

Categories	In brief	Illustrations
Identification data	This category groups the personal data used to identify you	Names, gender, place/date of birth, identification documentation (passport, ID cards), nationality, civil status, photos, tax identification numbers, login information, physical, vocal and digital signature and identifiers, etc.
Private data	This category groups the personal data related to your private environment	Private/residential physical and digital addresses (e.g. email, IP) and other contact data (e.g. telephone and fax numbers), websites, blogs and social networks, family-related information, centres of interest, contact history, etc.
Professional data	This category groups personal data related to your professional environment	Professional physical and digital addresses (e.g. email, IP) and other contact data (e.g. telephone and fax numbers), website, blogs and social networks, professional activities, occupation and organisation, status, position, grade and title, curriculum vitae, professional relationship (e.g. colleagues, assistants, staff, reporting lines,), contact history, etc.

**PWM FUNDS**

Economic data	This category groups your personal data of a financial and economic nature	Amount, nature and source of salary, income and remuneration, properties, wealth and estate, current and historic placements and cash flows, transaction history, investment preferences and objectives, financial account details (including credit or debit cards), current and historic credit information, etc.
HR data	This category groups the personal data used for human resources management purpose	Experience, qualifications, education and training, assessment and valuation, identifiers (e.g. social security numbers, badges,) and use thereof, working schedules and presence (including remote working and travel history), professional and job history, biographies and curriculum vitae, etc.

The personal data that we process may consist of or result from any use of or activity on computer systems, network and website, and may take any form possible. Personal data that we process may then include all types of electronic support, pictures, images, videos, sounds and voice recordings (such as telephone or online conversation recordings).

We process identification data for all categories of natural persons described in Q&A 1 above. In addition, we mainly process private, professional and economic data of Investing Persons; we process all categories of data of Fund Persons; and we mainly process professional data of Other Persons.

Please note that the above categories of personal data are without prejudice to all specific or general personal data you have provided or will provide us with from time to time.

The so-called "sensitive" personal data referred to in Q&A 3 below may also come in addition to or be part of the above categories of personal data.

### 3. Sensitive personal data

#### **Do we process so-called "sensitive" personal data?**

Preamble – "Sensitive" personal data refer to personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data for the purpose of uniquely identifying a natural person, and data concerning health or a natural person's sex life or sexual orientation, as well as personal data relating to criminal convictions and offences or related security measures. Sensitive personal data are sometimes referred to as "special category data" and "criminal offence data" targeted by Articles 9 and 10 of the GDPR, respectively.

We do happen to process such sensitive personal data. However, we do so in only a limited number of instances. We may notably process sensitive personal data (a) necessary for the purposes of carrying out your/our obligations or exercising your/our specific rights in the field of employment and social security and social protection law; (b) which you have manifestly made public; (c) necessary for reasons of substantial public interest; (d) under the control of an official authority; and/or (e) when authorised by applicable law providing appropriate safeguards for your rights and freedoms.

As a matter of illustration, we may process personal data revealing political opinions (which you have not necessarily manifestly made public) or relating to criminal convictions and offences when implementing our "know your customer" obligations. If you are a Fund Person, we may also process personal data concerning your health, or personal data relating to criminal convictions and offences.

We may also fortuitously process sensitive personal data when wilfully processing non-sensitive personal data. As a matter of illustration, although we neither require nor need personal data revealing racial or ethnic origin or religious beliefs, nor genetic or biometric data, this information is sometimes disclosed in the official identification documents (such as passport photo pages) we receive for the purpose of implementing our "know your customer" obligations. If you do not want us to process this information and also for the reasons described in Q&A 4 below, we therefore strongly suggest that you carefully black this type of data out in any document sent or drawn to our attention.

### 4. Unsolicited personal data

#### **What is our responsibility in relation to the processing of "unsolicited" personal data?**

Preamble – "Unsolicited" personal data basically refer to personal data which we have no intention, nor interest in processing, mainly because these data are not needed to attain any of the purposes described or referred to in this Privacy Notice. These are personal data which we did not solicit, and which we technically process (e.g. store and/or transfer), sometimes quite fortuitously (as illustrated in Q&A 3 above), but for no specific purpose.

What is important for you to be aware of is that, in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we assume no obligation nor any liability for any damage suffered directly or indirectly by you or any third party as a result of such a technical processing, including in case of personal data breach.

In view of the foregoing, we strongly recommend that you exclusively provide personal data that are expressly required from you, and that you refrain from providing any unsolicited personal data or making it available.

## 5. Source of personal data

### From whom or where do we collect or obtain your personal data?

We collect or obtain your personal data from various sources (and a combination thereof), and we reserve the right to opt at any time for any legally acceptable source. In practice, these sources may vary depending on the categories of natural persons described in Q&A 1 above.

Our first source of information is you. We collect your personal data each time we communicate with you. We collect your personal data either directly from you or via third parties representing us or you. In relation to Investing Persons in particular, third parties representing us may typically be our register and transfer agent, certain of our distributors, and other appointed intermediaries. Third parties representing you may include discretionary managers, lawyers and specific proxyholders.

We may also obtain your personal data from a variety of third parties who represent neither us nor you. In relation to Investing Persons in particular, these third parties may include certain of our service providers (such as the depositary), certain distributors, your banker, social medias, subscription services and centralised investor database (whether or not they belong to the Pictet group), as well as your or our advisers. If you are a Fund Person and/or an Other Person in particular, these third parties will typically be the organisation you work for, which may well belong to the group to which we are affiliated.

Third parties from whom we may obtain your personal data may also be public authorities, bodies or services, including Luxembourg and foreign supervisory and tax authorities.

We may also obtain your personal data via any publicly accessible (free or paying) sources such as the internet, public registers (such as the Luxembourg Trade and Companies Register), and/or the press in general. In relation to Investing Persons in particular, we may obtain your personal data via special "know your customer" databases (such as *World-Check*<sup>TM</sup>).

We collect or obtain your personal data from various means (and combinations thereof), and we reserve the right to opt at any time for any legally acceptable means. In the following paragraphs, we would like to draw your attention to a few of them.

In relation to Investing Persons in particular, the most obvious means of collection of your personal data is the subscription documentation, including that required to fulfil our "know your customer" or tax transparency obligations (e.g. via self-certification forms). But, we also collect information via your transactional activity.

For all categories of natural persons, we may also obtain personal information via exchanges of correspondence (whether or not in digital form), via telephone conversations (whether or not they are recorded), via contractual or operational documentation, via participation at board or shareholding meetings, and/or in the course of a complaint or litigious procedure.

## 6. Types of processing

### What types of processing do we perform on your personal data?

We perform and reserve the right to perform at any time any processing which the GDPR authorises us to perform on your personal data. The processing that we perform or may perform therefore includes any operations (or set of operations) on your personal data (or on sets of your personal data), whether by **electronic** or other means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, transfer, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

In particular, we or our service providers acting as processors or controllers in their own right may be obliged or wish to record communications (including telephone or online conversations and e-mails). Recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as written documents. The absence of recordings may not in any way be used against us. The purposes, lawful bases and retention periods in this respect are described in [Appendix A](#) and [Appendix C](#) respectively.

Please, also note that processing that we perform or may perform on your personal data may also consist in profiling and solely automated individual decision-making. We have specifically addressed this type of processing in Q&A 10 below.

## 7. Purposes and lawful bases of processing

### For what purposes and on what lawful bases do we process your personal data?

We reserve the right to process your personal data for any specified, explicit and legitimate purposes we deem appropriate, provided such processing is based on one or more of the 6 possible lawful (or legal) bases authorised by the GDPR. These lawful bases are related to contract, compliance, vital interests, public interest, legitimate interests, and consent. These lawful bases are more fully described in [Appendix A](#) of this Privacy Notice.

We process your personal data for several purposes and on several lawful bases. These may vary depending on the category of data subjects (described in Q&A 1 above) to which you belong. In [Appendix A](#), you will find tables listing the purposes of the processing (on the left-hand side column) and the corresponding lawful bases (on the right-hand side column). There is a table for all categories of data subjects, as well as a specific table for each category of data subjects.

You should be aware that any of the (initial) purposes listed in [Appendix A](#) or otherwise referred to in this Privacy Notice may change over time and lead to a new purpose. If the new purpose is compatible with the initial purpose, we may continue the processing under the original lawful basis (unless this original lawful basis is your consent).

Finally, you should also be aware of the following regarding the lawful bases of our processing. When we process sensitive personal data or transfer personal data to third countries, we may do so on specific lawful bases which are more fully described in Q&A 3 and Q&A 9, respectively, and which come in addition to those otherwise described in this Q&A 7 and in [Appendix A](#). Also, when we exceptionally base the processing of your personal data on your consent, you are entitled to withdraw your consent as more fully described in Q&A 15 below.

## 8. Recipients of personal data

### **Do we transmit your personal data to third-party recipients? If so, who are these recipients?**

Preamble – In the context of this Privacy Notice we understand "transmission" (or derived terms thereof) of personal data to a party as including the disclosure, the accessibility or otherwise availability of these personal data to this party.

Yes, we also transmit your personal data to a series of recipients or categories of recipients, in particular, but not only, in relation to the processing of personal data belonging to Investing Persons. These include:

- all our service providers, whether they act as processors and/or controllers in their own rights (which may be the Fund's investment adviser, investment manager, depositary and paying agent, administrative agent, registrar and transfer agent, distributor and sub-distributors, auditor, legal, financial and other professional advisers, lawyers, consultants), as well as any existing or potential service provider of the Fund; the recipients may also be any of the foregoing respective representatives, agents, delegates, affiliates, subcontractors and/or their successors and assigns (including information technology providers, cloud service providers, or external processing centres);
- entities belonging to Pictet group;
- our various counterparties (such as prime brokers and credit institutions);
- any targeted markets (regulated or not), investment funds and/or related entities in or through which we intend to invest (including without limitation their governing entities, respective general partner, management companies, managers, central administration, investment manager, depositary, and other service providers);
- any judicial, public, governmental, administrative, supervisory, regulatory or tax bodies or authorities; as well as
- the Investing Persons, the Fund Persons, and the Other Persons.

You should also be aware that:

- more information about the foregoing recipients (including our processors) may be found in [Appendix D](#) and in the Fund's constitutive and offering documentation;
- certain of the foregoing recipients (including our processors) may themselves transfer your personal data to other sub-recipients established or operating in and/or outside the European Economic Area. This may notably be the case in the context of exchange of information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in FATCA and CRS, at OECD and European levels, or equivalent Luxembourg legislation, as more specifically detailed in Q&A 17;
- each of the foregoing recipients (including our processors) and sub-recipients may also process your personal data as controllers in their own right, in particular but not necessarily for compliance with laws and regulations applicable to them (such as those relating to "know your customer") and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities, and may be established or operating in and/or outside of the European Economic Area;
- in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we bear no liability for any transmission of your personal data to any third party not authorised by us and, more generally, for any such unauthorised third party receiving knowledge of your personal data.

## 9. Transfer to third countries

### **Do you intend to transfer personal data to third countries or international organisations?**

Preamble – In the context of this Privacy Notice we understand "transfer" (or derived terms thereof) of personal data to third countries or international organisations as including the disclosure, the accessibility or the otherwise availability of these personal data to or from third countries or international organisations.

Yes, we do and will transfer personal data to third countries. And by third countries, we mean countries which do not belong to the European Economic Area and which legislation does not necessarily ensure an adequate level of protection as regards the processing of personal data.

In [Appendix B](#) of this Privacy Notice, you will find a brief description of the available lawful bases for performing transfers of personal data to third countries, as well as a table listing the recipient countries or third-country recipients to which we transfer or may transfer personal data (left-hand side column) together with the corresponding specific lawful bases and, where applicable, additional information (right-hand side column). In this context, you should be aware that:

- a) Your personal data may be transferred to recipients (including processors and other controllers) which are located in third countries subject to an adequacy decision of the European Commission and/or on the basis of the so-called

EU-U.S. Privacy Shield framework. In the table in [Appendix B](#), each of these countries or recipients is referred to as an "adequate country" or an "adequate recipient", respectively;

- b) Your personal data may be transferred to recipients (including processors and other controllers) which may be located in third-countries which are not subject to an adequacy decision of the European Commission and whose legislation does not ensure an adequate level of protection as regards the processing of personal data. In this case, the transfer of your personal data may be based on one or more of the appropriate safeguards listed and briefly described in [Appendix B](#). In the table in [Appendix B](#), each of the relevant countries or recipient is referred to as a "safeguarded country" or a "safeguarded recipient", respectively, and earmarked with the relevant appropriate safeguard;
- c) In the absence of any adequacy decision or appropriate safeguard, your personal data may nevertheless be transferred to recipients (including processors and other controllers) located in third countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data. In this case, a transfer or set of transfers of your personal data may be based on one or more of the derogations listed and briefly described in [Appendix B](#). In the table in [Appendix B](#), each of the relevant countries or recipient is referred to as a "derogatory country" or a "derogatory recipient", respectively, and earmarked with the relevant derogation;
- d) We may transfer your personal data to a third country in the event this is required by any judgment of a court or tribunal or any decision of an administrative authority, provided this takes place on the basis of an international agreement entered into between the European Union or another Member State and other jurisdictions worldwide.

In addition to the information provided in [Appendix B](#), you should be aware that:

- you have the right to obtain a copy of, or access to, the appropriate safeguards which have been implemented for transferring your personal data to a safeguarded country or a safeguarded recipient by a request addressed to any contact point and by any means mentioned in Q&A 19 below;
- when the transfer of your personal data to third countries is based on your explicit consent, you are entitled to withdraw your consent as more fully described in Q&A 15 below;
- in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we bear no liability for any transfer of your personal data to any third country or third-country recipient not authorised by us and, more generally, for any such unauthorised third country or third-country recipient receiving knowledge of your personal data.

## **10. Profiling and solely automated decision-making**

### **Are you subject to profiling and/or solely automated (individual) decision-making?**

Preamble – "Profiling" is an automated processing of your personal data to evaluate personal aspects about you in order to produce your corresponding profile. A "solely automated decision" is an individual decision based solely on automated processing (including profiling), hence without human involvement.

You may be subject to profiling and/or to a solely automated decision. In some instances, you may even be subject to a so-called "significant effect solely automated decision" which is a solely automated decision (including profiling) producing legal effects concerning you or similarly significantly affecting you.

There are a few important rights that you specifically have in relation to profiling and significant effect solely automated decisions. These rights are listed below. You may exercise these rights upon notice to the contact point mentioned in Q&A 19 below:

- As indicated in Q&A 13 below, you have the right to object, on grounds relating to your particular situation, to profiling which is based on your consent or on our interests;
- As also indicated in Q&A 13 below, you have the unconditional right to object to profiling related to direct marketing;
- In relation to significant effect solely automated decisions (other than those authorised by applicable law), you have the right to obtain a human intervention on our part, to express your point of view and to contest this solely automated decision.

## **11. Retention period**

### **For how long will we store your personal data?**

Without prejudice to what follows, as a matter of general principle, we take care that your personal data is not held for longer than necessary with regard to the purposes for which they are or have been processed.

We hold personal data of Investing Persons at least until the concerned investor ceases to be an investor. We then hold these personal data for a subsequent period of 10 years where necessary to comply with applicable laws and regulations, and/or to establish, exercise or defend actual or potential legal claims.

Longer or shorter retention periods may apply where required by applicable laws and regulations, or as a result of applicable statutes of limitation. Some of these law and regulations are listed in the table of [Appendix C](#) to this Privacy Notice.

## **12. Data subject Rights**

### **What are your rights in relation to our processing of your personal data?**



In addition to your right of information as well as to rights otherwise described in this Privacy Notice or provided for in the GDPR, the available rights in relation to our processing of your personal data are as listed and briefly described below.

The relevant legal provisions of the GDPR describing these rights may in our opinion be read and understood by persons who are not personal data protection professionals. For each of the rights listed below, we have therefore mentioned the applicable key provisions which we invite you to consult for further information.

Under the limits set out by the GDPR:

- **Right of access** (Art. 15 of the GDPR) – You have the right to receive confirmation that your data are being processed by us (or not), to access your personal data, and to receive supplementary information (however, largely corresponding to that provided in this Privacy Notice).
- **Right to rectification** (Art. 16 and 19 of the GDPR) – If your personal data are inaccurate or incomplete, you have the right to obtain assurance from us that they will be rectified without undue delay.
- **Right to erasure** (Art. 17 and 19 of the GDPR) – The right of erasure is also known as the "right to be forgotten". The broad principle underpinning this right is to enable you to request us to delete or remove your personal data where there is no compelling reason for our continued processing thereof.
- **Right to restriction** (Art. 18 and 19 of the GDPR) – This right allows you to 'block' or suppress processing of your personal data. We may still store your data, but may not process them. We can retain just enough information about you to ensure that the restriction is respected in future.
- **Right to data portability** (Art. 20 of the GDPR) – This right allows you to obtain and reuse the personal data you have provided us with for your own purposes across different services. It allows you to move, copy or transfer your personal data easily from one IT environment to another.
- **Right to complain to a supervisory authority** (Art. 77 of the GDPR) – If you consider that our processing of personal data relating to you infringes the GDPR, you have the right to lodge a complaint with a supervisory authority, in particular in your EU Member State of habitual residence, place of work or place of the alleged infringement.

You may exercise any of the above rights (other than the right to complain to a supervisory authority) via any contact point and by any means mentioned in Q&A 19 below.

There is a last general and important point we wish to draw your attention to. Your rights under the GDPR (including those listed above) are not "absolute" or unconditional. Your rights may then be limited to certain cases or circumstances, conditioned and/or affected by various elements such as the lawful basis of our processing.

### 13. Right to object

#### **Do you have the right to object to our processing of your personal data?**

Yes, Article 21 of the GDPR gives you a right to object, but this right is limited and depends on the purpose or lawful basis of our processing:

- Firstly, you have the right to object at any time, on grounds relating to your particular situation, to processing of personal data, including profiling, concerning you which is based on our legitimate interests or on the performance of a task carried out in the public interest or in the exercise of any official authority that we would be vested in. In this case, we shall no longer process your personal data unless we demonstrate compelling legitimate grounds for the processing which override your interests, rights and freedoms or for the establishment, exercise or defence of legal claims.
- Secondly, where your personal data are processed for direct marketing purposes, you have the unconditional right to object at any time to the processing of personal data concerning you for such marketing, which includes profiling to the extent that it is related to such direct marketing.
- Finally, you have the right to object, on grounds relating to your particular situation, to the processing of your personal data for scientific or historical research purposes or statistical purposes, unless the processing is necessary for the performance of a task carried out for reasons of public interest.

You may exercise your right to object via any contact point and by any means mentioned in Q&A 19 below.

### 14. Refusal to provide personal data

#### **Can you refuse to provide your personal data? If so, what are the consequences?**

There are certain cases where the provision of your personal data results from a legal or contractual obligation applicable to you and/or to us, or where the provision of your personal data is necessary for us to enter into, continue and/or implement a professional relationship and/or contract, and/or otherwise deal with you.

As a general rule, failure to provide certain requested personal data may result in the impossibility to communicate (or to communicate safely) with you and/or to fulfil certain of our duties, obligations and services.

As an Investing Person in particular, failure to provide certain requested personal data may result in the impossibility for you or the investor to invest or maintain an investment in the Fund. It may also result in incorrect or double reporting.

As a Fund Person, failure to provide certain requested personal data may result in the impossibility for us to give you or maintain a position within our organisation.

Please note that we may from time to time and as the case may be on a case-by-case basis indicate whether or not requesting and/or providing this information is mandatory for us and/or for you, respectively, and/or the reasons for which this is mandatory. Where necessary, we may also indicate on such occasions the consequences for your refusal to provide the requested information.

## 15. Withdrawal of consent

### **Can you withdraw the consent given for processing your personal data, and if so, how?**

Yes, when we base the processing of your personal data on your consent, you have the right to withdraw your consent at any time, yet without affecting the lawfulness of all processing based on your consent before its withdrawal.

You must be aware, however, that we reserve the right to continue the processing for which you have withdrawn your consent if there is another lawful basis to this processing.

Your decision to withdraw your consent may be notified to any contact point and by any means mentioned in Q&A 19 below.

## 16. Further processing

### **Do we intend to process your personal data for a purpose other than that for which they were collected or obtained?**

Although we have no intention to do that at the date of issuance of this Privacy Notice, we reserve the right to further process your personal data for a purpose other than that for which they were collected or obtained. If such were the case and prior to that further processing, we would provide you with information on that other purpose and with any relevant further information required by law which is not already contained in this Privacy Notice.

## 17. Other information

### **Is there other information we deem appropriate to provide you with in the context of this Privacy Notice?**

Yes, we believe that the following additional information might be of interest to you.

- (A) Data protection officer  
The data protection officer is governed by specific provisions of the GDPR (Articles 37 to 39), but is not defined in the GDPR. It may be described as the person appointed by an organisation to serve as its personal data protection guardian. For your information, we have appointed a data protection officer whose contact details are as follows: Mrs Emmanuelle Ressimann ([eressimann@pictet.com](mailto:eressimann@pictet.com)), 15A Avenue J.F. Kennedy, L-1855 Luxembourg.
- (B) Professional secrecy and confidentiality waiver  
Any consent that you may give or may from time to time be requested to give in order to waive the professional secrecy or confidentiality duty to which we are subject pursuant to laws and regulations applicable to us is distinct from, and may not be construed as, any consent that you might give in the context of the GDPR.
- (C) FATCA, CRS and other tax identification legislation to prevent tax evasion and fraud  
To comply with "know your customer" and tax related laws and regulations such as FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation, we are and our service providers may be obliged to collect and, where appropriate, report certain information in relation to you and your investments in the Fund (including but not limited to name and address, date of birth, U.S. tax identification number (TIN), account number, balance on account, the "Tax Data") to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information (including personal data, financial data and Tax Data) on an automatic basis with the competent authorities in the United States or other permitted jurisdictions (including the U.S. Internal Revenue Service (IRS) or other US competent authority and foreign tax authorities located outside the European Economic Area) for the purposes provided for in FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation.

In this context, it is mandatory to answer questions and requests with respect to the data subjects' identification and investment held in the Fund. We reserve the right to reject any application for investment if the required information and/or documentation are not provided or the applicable requirements not complied with. Investors acknowledge that failure to provide the relevant information in the course of their relationship with the Fund may result in incorrect or double reporting, prevent them from acquiring or maintaining their investment in the Fund and may be reported to the relevant Luxembourg authorities.

- (D) Update of this Privacy Notice and additional information  
You should first be aware that we reserve the right to amend or modify this Privacy Policy at any time and for any reason, notably in response to changes in applicable data protection and privacy legislation.

Any further update of this Privacy Notice as well as any additional information relating to our processing of personal data is accessible upon request to the contact point mentioned in Q&A 19, below. If there are any significant changes, we make these clear through any other means of contact such as email.

Additional information relating to our processing of your personal data and further update of this Privacy Notice may also be found in the constitutive and offering documentation of the Fund, our contractual arrangements, or provided or made available, on an ongoing basis, through additional documentation (such as contract notes or specific notice and reports, whether periodic or not) and/or through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow us to comply with our obligations of information according to the GDPR.

All the foregoing additional information and updates are deemed to be inserted by reference in and, where applicable, amend or replace, this Privacy Notice.

- (E) What we expect from you – to keep your personal data updated  
It is important that the personal data we have about you are correct. We ask you to inform us in writing in a timely manner of any change to the information which you provide us, so that we can update them during our entire relationship.

## 18. Non-exhaustive information

### Is this Privacy Notice exhaustive of all information pertaining to the processing of your personal data?

No. Although this Privacy Notice claims to be exhaustive in relation to the information that we must convey to data subjects pursuant to the GDPR, it does not claim to be exhaustive of all information pertaining to the entire processing we perform as joint controllers.




In relation to personal data that we did not obtain directly from you, our duty to inform you does not apply insofar as:

- you may already have the information;
- the provision of certain information may prove impossible or would involve a disproportionate effort, or is likely to render impossible or seriously impair the achievement of the objectives of certain processing;
- obtaining or disclosure is expressly laid down by Union or Member State law to which we are subject;
- where the personal data must remain confidential subject to an obligation of professional secrecy regulated by EU or Member State law, including a statutory obligation of secrecy.

## 19. Contact Point

### What are our contact details and how can you contact us?

You may contact us for any request, notice or other reasons via:

-  Telephone by dialling number +352 467 171-1 (telephone conversation will be recorded)
-  Email sent to europe-data-protection@pictet.com
-  Letter sent to the Fund's registered address (as mentioned in the main part of the Issue Document and for the attention of Pictet Group Data Protection Officer)

When you contact us, please, kindly provide your complete identification information, and state as clearly and completely as possible why you are contacting us and what you expect from us. Please kindly note that before we are able to revert to you or implement your request, you may be required to provide further identification details, information or clarification. You may also be required to fill out specific forms. All this may be needed for adequately addressing your solicitation, as well as protecting both your and our interests.

### List of Appendices and Schedules

- Appendix A – Purposes and legal basis of the processing
- Appendix B – Transfers to third countries
- Appendix C – Specific retention periods
- Appendix D – (Categories of) recipients of personal data

**APPENDIX A**  
**Purposes and legal basis of the processing**

**The authorised lawful bases under the GDPR**

Our processing of your personal data shall be lawful only if and to the extent that at least one of the following applies:

- 1) **Contract** = our processing is necessary for the performance of a contract to which you are a party or in order to take steps at your request prior to entering into a contract
- 2) **Compliance** = our processing is necessary for compliance with a legal obligation to which we are subject
- 3) **Public interest** = our processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in us
- 4) **Legitimate interests** = our processing is necessary for the purposes of the legitimate interests pursued by us or by a third party, except where such interests are overridden by your interests or fundamental rights and freedoms which require protection of personal data
- 5) **Vital interests** = our processing is necessary in order to protect your vital interests or those of another natural person.

Our processing of your personal data for one or more specific purposes shall also be lawful if you have given your **consent** to this processing for this or these specific purposes.

We process personal data of <b>all categories of persons</b>	
for	based on
general and global purpose of <b>communication</b> , which involves each respective identification and the exchange of information and documents among relevant parties	compliance, contract, legitimate interests of all parties concerned to ensure the identity of her/his/its intended correspondent
complying with the general <b>prudential duties</b> imposed by laws and regulations applicable to us; and which may involve acting honestly, with due skill, care and diligence and fairly in conducting the Fund's activities, acting in and promoting the best interests of the investors and the integrity of the market, and managing and preventing conflicts of interests	compliance
<b>reporting</b> to and/or <b>cooperating</b> with supervisory and regulatory bodies, and/or other authorities pursuant to applicable laws and regulations	compliance (when acting pursuant to EU law or the Member State law applicable to us), our legitimate interests and that of the Pictet Group to avoid being in breach of applicable regulatory and legal obligations (otherwise)
complying with, and providing (or causing the provision of) the services contemplated, in the Fund's <b>constitutive and offering documentation</b> , as well as regulatory compliance monitoring and managing risks (including those related to personal data and their processing)	compliance, contract
general, specific and/or periodic <b>reporting</b> and or <b>providing of information</b> to investors and other stakeholders of the Fund (including certain counterparties of the Fund)	
processing and verifying <b>instructions</b> received and <b>transactions</b> , as well as record-keeping as proof of such an instruction or transaction or related communication in the event of a disagreement	compliance, contract, our legitimate interests and that of the Pictet Group to organise the defence and protection of our/their interests, enforce our/their rights, and/or as the case may be help maintain service quality and train staff to deal with complaints and disputes
conducting and handling <b>enquiries, escalation, complaints, disputes, litigation</b> and <b>audits</b> of all nature (including in relation to security incidents and/or data breach), all at any stage and level	
complying with any of the <b>contractual</b> obligations, duties and liabilities agreed upon with any third party with whom we are dealing in the context of the Fund's activities	our legitimate interests to avoid being in breach of a contract to which we are a party
seeking <b>professional advice</b> , including legal, accounting, and other advice	our legitimate interests and that of the Pictet Group to legitimate interests to act in accordance with the laws and regulations and/or with due skill, care and diligence
In addition to what is provided for in the first table above, we process personal data of <b>Investing Persons</b>	
for	based on
<b>assessing</b> potential and existing investors and checking their <b>eligibility</b> , which includes verifying the information received, conducting credit and financial due diligence, and monitoring investors' <b>solvency</b> , liquidity risks and cash flows	compliance, contract, our legitimate interests and that of the other investors to ensure investors' solvency, prevent adverse liquidity risk materialisation and facilitate the Fund's investments (including related financings)

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<p>general holding, maintenance, management and administration of:</p> <ul style="list-style-type: none"> <li>the Fund's <b>registers</b> and, where applicable, capital or similar accounts</li> <li>each investor's <b>position in the register</b> and, where applicable each investor's capital or similar account</li> </ul> <p>in the context of the foregoing and among other things:</p> <ul style="list-style-type: none"> <li>processing issues, subscriptions, redemptions, conversion, similar corporate events, and related operations</li> <li>making capital calls and drawdowns</li> <li>allocating and distributing income and liquidation proceeds, including handling and recording of orders, paying agency services and settlement</li> <li>billing, accounting, record-keeping and valuation, including producing and issuing all reporting (including financial and other periodic reporting)</li> <li>performing domiciliation and corporate trust function, including convening, holding and handling meetings of investors</li> </ul>	<p>compliance, contract</p>
<p>complying with all <b>tax</b>-related obligations applicable to us or data subject (including those resulting from FATCA and/or CRS), and reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities accordingly</p>	<p>compliance, public interests (when acting pursuant to EU law or the Member State law applicable to us)</p> <p>our legitimate interests and that of the Pictet Group to avoid being in breach of applicable regulatory and legal obligations (otherwise)</p>
<p>complying with all "<b>know your customer</b>" obligations (including anti-money laundering and counter terrorism checks and assimilated checks such as tracking persons subject to economic and trade sanctions, e.g.), and reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities accordingly</p>	
<p><b>record keeping as proof of transactions or related communications</b> in the event of a disagreement, processing and verification of instructions, investigation and fraud prevention purposes, enforce or defend our or others interests or rights in compliance with any legal obligation to which we or they are subject to and quality, business analysis, training and related purposes to improve our business relationship with you</p>	
<p>helping to detect, prevent, investigate, and prosecute fraud, third-party malfeasance and/or other <b>criminal activity</b> (including bribery and corruption), and reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities accordingly</p>	
<p>preventing <b>late trading</b> and <b>market timing</b></p>	<p>compliance</p>
<p>assessing and evaluation of the <b>existing investors</b> base and composition, including conducting market research and analysis</p>	<p>our legitimate interests and that of third parties such as the Pictet Group and the other investors to improve quality business and training, and implement product development and distribution policy and strategy</p>
<p>processing <b>relationship with the investors</b> in general</p>	
<p><b>marketing</b> the Fund to new and existing investors</p>	<p>contract, our legitimate interests to promote investment in the Fund, and that of investors to access the Fund</p>
<p>ensuring <b>fair treatment</b> of investors</p>	<p>compliance, our legitimate interests and that of the Pictet Group to comply with contractual obligations</p>
<p align="center">In addition to what is provided for in the first table above, we process personal data of <b>Fund Persons</b></p>	
<p align="center">for</p>	<p align="center">based on</p>
<p><b>recruiting and acquiring</b> human resources, as well as implementing all related procedures, that are necessary for the proper performance of the Fund's activities</p>	<p>compliance, our legitimate interests and that of the Pictet Group to ensure adequacy, quality and trustworthiness of relevant human resources</p>
<p>performing the obligations, duties and liabilities set out in our employment, self-employed and other mandates <b>contractual arrangements</b></p>	<p>contract</p>
<p>complying with our obligations under <b>labour law</b> in general (including social security, tax and social protection laws), and exercising our or your rights in this field</p>	<p>compliance</p>
<p><b>managing human resources</b> in general, including organisation of work and planning, as well as Management of access to premises and working time</p>	<p>contract, compliance, our legitimate interests and that of the Pictet Group to ensure efficient working environment, as well as internal security</p>

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the administration of <b>personal</b> human resources files, including managing working time, leave, training and formation, accounting, payment of salaries and expenses, appraisal, and career planning	contract, compliance
<b>safety</b> at work including managing accidents at work	compliance, contract, vital interest
managing corporate <b>information technology resources</b> put at disposal for professional use (including mobile devices) and monitoring of all correspondence sent and received using these resources	Vital interest, our legitimate interests and that of the Pictet Group to protect business information and have access to key information relevant to our activities
assessing, recruiting, and handling the administration of, and the prudential requirements related to, <b>board and committee members</b> as well as self-employed team members	compliance, contract, our legitimate interests and that of the Pictet Group to ensure adequacy, quality and trustworthiness of relevant members
performing <b>domiciliation and corporate trust</b> function, including convening, holding and handling board and committee meetings	compliance, contract
inviting you to <b>events and presentations</b> organised by the Pictet Group and/or associated parties	our legitimate interests and that of third parties such as the Pictet Group and/or associated parties to promote and/or improve our activities, image and/or collaboration
<b>whistleblowing</b> management	compliance, our legitimate interests and that of the Pictet Group of being informed of internal wrongdoings
preventing <b>inside trading</b> and related illegal trading activities	compliance
In addition to what is provided for in the first table above, we process personal data of <b>Other Persons</b>	
for	based on
<b>assessing and hiring</b> service providers, as well as effectively supervising delegated or otherwise outsourced services and activities	compliance, our legitimate interests and that of third parties such as the investors to ensure adequacy, quality and trustworthiness of human resources and management team in services providers
<b>managing our relationship</b> with service providers (including their remuneration)	compliance, contract
inviting you to <b>events and presentations</b> organised by the Pictet Group and/or associated parties	our legitimate interests and that of third parties such as the Pictet Group and/or associated parties to promote and/or improve our activities, image and/or collaboration
performing <b>due diligence of target investments</b>	compliance, our legitimate interests and that of third parties such as the investors to ensure adequacy, quality and trustworthiness of governance and management of target entities

**APPENDIX B**  
**Transfers to third-countries**

**Appropriate safeguards**

As indicated in Q&A 9, we only consider the following appropriate safeguards when your personal data are to be transferred to a recipient located in a third country which is not subject to an adequacy decision. These appropriate safeguards may be provided for by:

- 1) BCR = binding corporate rules
- 2) EU contractual clauses = standard data protection clauses adopted by the European Commission
- 3) National contractual clauses = standard data protection clauses adopted by a supervisory authority and approved by the European Commission
- 4) Private contractual clauses = contractual clauses between us and the controller, processor or the recipient of the personal data in the third country (subject to authorisation by competent supervisory authority)
- 5) Code of Conduct = an approved code of conduct with binding and enforceable commitments of the controller or processor in the third country to apply the appropriate safeguards, including as regards your rights
- 6) Certification = an approved certification mechanism together with binding and enforceable commitments of the controller or processor in the third country to apply the appropriate safeguards, including as regards your rights

Appropriate safeguards may also be provided for by a legally binding and enforceable instrument between public authorities or bodies, and (subject to authorisation by competent supervisory authority) by provisions to be inserted into administrative arrangements between public authorities or bodies which include enforceable and effective data subject rights.

**Derogations**

As indicated in Q&A 9, we only consider the following derogations when we have to make a transfer or a set of transfers of your personal data to a recipient located in a third country which is not subject to an adequacy decision and where there is no appropriate safeguard. Such a transfer or a set of transfers may take place only on one of the following derogatory conditions:

- 1) Consent = you have explicitly consented to the proposed transfer, after having been informed of the possible risks of such transfers due to the absence of an adequacy decision and appropriate safeguards;
- 2) Contract with you = the transfer is necessary for the performance of a contract between you and us or the implementation of pre-contractual measures taken at your request;
- 3) Contract in your interest = the transfer is necessary for the conclusion or performance of a contract concluded in your interest between us and another natural or legal person;
- 4) Public interest = the transfer is necessary for important reasons of public interest;
- 5) Legal claim = the transfer is necessary for the establishment, exercise or defence of legal claims;
- 6) Vital interests = the transfer is necessary in order to protect your vital interests or those of other persons, where the relevant person is physically or legally incapable of giving consent;
- 7) Public register = the transfer is made from a register which according to EU or Member State law is intended to provide information to the public and which is open to consultation either by the public in general or by any person who can demonstrate a legitimate interest, but only to the extent that the conditions laid down by Union or Member State law for consultation are fulfilled in the particular case;
- 8) Compelling interests = where necessary and under specific conditions for the purposes of compelling legitimate interests pursued by us.

We may transfer personal data to	as it is or they are
Andorra, Argentina, Canada, Faeroe Islands, Guernsey, Isle of Man, Israel, Japan, Jersey, New Zealand, Switzerland, United Kingdom, United States of America and Uruguay	adequate countries
Entities and affiliates of the Pictet Group	adequate recipients
Service providers of the Fund and the Management Company	safeguarded recipients

**APPENDIX C  
Specific retention periods**

Without prejudice and subject to retention periods that are imposed by applicable laws, regulations and court orders, the following retention periods should apply to personal data.

Relevant data, laws and regulations	Retention period
Personal data processed for the purpose of the administration and payment of salaries (of any nature)	3 years starting from the termination of the employment contract
Personal data processed for the purpose of recruitment	2 years starting from the termination of the employment contract
Personal data processed for the purpose of evaluation and career planning	3 years starting from the termination of the employment contract
Personal data processed for the purpose of monitoring of information technology resources made available for professional use, including mobile devices	6 months on a rolling basis during employment and for 6 months starting from the termination of the employment contract, unless monitoring resulted in finding evidence or suspicions of irregularities or misuse of our information technology resources
Personal data related to health	May be kept after termination of employment contract where necessary, for the appropriate duration, notably with regard to the establishment, exercise or defence of legal claim(s) or in the case of control performed by the labour inspectorate
Data related to accounting and corporate documentation	10 years starting from the end of the financial year concerned
Customer identification and transaction	5 or 10 years starting from termination of relationship with customers or from execution of the transaction (for AML purposes where applicable)
Recordings of communications	10 years starting from the date of the recording



**APPENDIX D  
(Categories of) recipients of personal data**

Service Provider / Activity	Industry/sector	Location
Investment manager	Asset management servicing	Switzerland
Depository and paying agent	Asset management servicing	Luxembourg
Administrative agent	Asset management servicing	Luxembourg
Registrar and transfer agent	Asset management servicing	Luxembourg
Domiciliation agent	Domiciliation, accounting and corporate services	Luxembourg
Auditor	Audit	Luxembourg
Legal, financial and other professional advisers, lawyers, consultants	Professional services	Luxembourg
Pictet group affiliated companies	Asset Management Servicing	Switzerland
Credit institutions	Financial services	Luxembourg
Target investments	According to target	According to target