



RAIDHO SICAV

Société d'Investissement à Capital Variable

PROSPECTUS
DECEMBER 2016

SUBSCRIPTIONS SHALL ONLY BE VALID IF MADE ON THE BASIS OF THE CURRENT PROSPECTUS ACCOMPANIED BY THE MOST RECENT ANNUAL REPORT AS WELL AS BY THE MOST RECENT SEMI-ANNUAL REPORT IF PUBLISHED MORE RECENTLY THAN THE MOST RECENT ANNUAL REPORT. NO ONE IS AUTHORISED TO STATE OTHER INFORMATION THAN THE ONES CONTAINED IN THE PROSPECTUS AS WELL AS IN THE DOCUMENTS HEREIN MENTIONED, WHICH ARE AVAILABLE TO THE PUBLIC.

RAIDHO SICAV
Société d'Investissement à Capital Variable (SICAV)

BOARD OF DIRECTORS

Chairman:

Mr Fabrizio SARTORI	Business Developer of collective investment schemes Lemanik SA, Via Bagutti 5, CH-6900 Lugano, Switzerland
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Directors:

Mr Alessandro BRUSCAGIN	Director Archeide S.r.l. Viale Felissent 42, 31100 Treviso, Italy
Mr Gueorgui GOTZEV	Director 10, Boulevard Royal L-2449 Luxembourg

REGISTERED OFFICE

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

MANAGEMENT COMPANY

LEMANIK ASSET MANAGEMENT S.A.
106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

Chairman:

- Mr Gianluigi SAGRAMOSO

Director:

- Mr Carlo SAGRAMOSO
- Mr Philippe MELONI

Conducting persons of the Management Company:

- Mr Philippe MELONI
- Mr Marco SAGRAMOSO
- Mr Jean Philippe CLAESSENS

DEPOSITARY BANK AND PRINCIPAL PAYING AGENT

RBC Investor Services Bank S.A.
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

DOMICILIARY AGENT

LEMANIK ASSET MANAGEMENT S.A.
106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

SUB-ADMINISTRATIVE AGENT AND SUB-REGISTRAR AGENT

RBC Investor Services Bank S.A.
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

INVESTMENT MANAGER

Lemanik S.A.
Via Giuseppe Bagutti 5, 6900 Lugano, Switzerland

AUDITORS

DELOITTE Audit S.a.r.l.
560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg

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PROSPECTUS

relating to the permanent offer of shares
in the Company
RAIDHO SICAV

RAIDHO SICAV (the "Company") is listed on the official list of undertakings for collective investment pursuant to the law of **17th December 2010** relating to undertakings for collective investment (hereafter referred to as the "Law" or the "Law of 17th December 2010") and submitted to the Law and to the law of 10th August 1915 on commercial companies as amended by the Law of 10th August 2016 (the "1915 Law as amended"). It is subject in particular to the provisions of **Part I of the Law of 17th December 2010**, which relates specifically to undertakings for collective investment ("UCI"), as defined by the European Directive. However, such listing does not require any Luxembourg authority to approve or disapprove either the adequacy or the accuracy of this Prospectus or the portfolio of securities held by the Company. Any representation to the contrary would be unauthorised and unlawful.

The Company's board of directors (the "Board of directors") has taken all possible precautions to ensure that the facts indicated in this Prospectus are exact and precise and that no point of any importance has been omitted which could render erroneous any of the statements set forth herein.

Any information or representation not contained herein, in the Appendixes to the Prospectus or in the reports, which form an integral part hereof, must be regarded as unauthorised. Neither the remittance of this Prospectus, nor the offer, issue or sale of shares of the Company will constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof. In order to take account of important changes such as the opening of a new sub-fund of shares, this Prospectus, as well as its Appendixes will be updated at the appropriate time. Subscribers are therefore advised to contact the Company in order to establish whether any later Prospectus has been published.

References to the terms or abbreviations set out below designate the following currencies:

EUR: Euro

USD: US Dollar

I. GENERAL DESCRIPTION

1. INTRODUCTION

RAIDHO SICAV is a limited liability company (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg, which qualifies as a *société d'investissement à capital variable* (SICAV) with multiple sub-funds, each relating to a portfolio of specific assets made up of Transferable Securities, Money Market Instruments and other eligible assets in compliance with article 41 of the Law denominated in various currencies. The characteristics and investment policies of each sub-fund are defined in Appendix III.

The capital of the Company is divided into several sub-funds each of which may offer several classes of shares, as defined in Section III below and for each sub-fund in accordance with the respective provisions described in the sub-fund's relevant data sheet under Appendix III.

The Company may create new sub-funds. In such an event, this Prospectus will be amended accordingly and will contain detailed information on the new sub-funds in its sub-funds' data sheets under Appendix III. The actual opening of any new sub-fund or class of shares within a sub-fund mentioned in the Prospectus and in the Simplified Prospectus will be decided by the Board of Directors. More particularly, the Board of Directors will determine the initial subscription price and subscription period/day, as well as the payment date of those initial subscriptions.

The shares of each sub-fund of the Company are issued and redeemed at prices calculated for each sub-fund with a frequency in accordance with the respective provisions described in the sub-fund's relevant data sheet under Appendix III and provided the banks in Luxembourg are open for business (a "Bank Business Day") on this day (the calculation day so defined being hereafter referred to as a "Valuation Day").

The Net Asset Value of each sub-fund of shares will be expressed in its reference currency, as stipulated in the sub-fund's relevant data sheet under Appendix III.

The reference currency of the Company is expressed in Euro.

2. THE COMPANY

The Company was incorporated in Luxembourg for an unlimited period on 9th June 2009 under the name "**RAIDHO SICAV**".

The minimum capital as provided by law is set at EUR 1.250.000,00 (one million two hundred and fifty thousand Euro). The Company's initial capital as at 9th June 2009 was equal to EUR 31.000 (thirty one thousand Euro). The Company's capital is at all times equal to the sum of the values of the net assets of its sub-funds and represented by shares of no par value.

Variations in the capital are effected "ipso jure" (automatically by the effect of law).

The Company's articles of incorporation ("Articles of Incorporation") were published in the Mémorial on 18th June 2009, after having been filed with the *Registre de Commerce et des Sociétés*, where they may be consulted and where copies may be obtained upon payment of the applicable charges. The Company's Articles of Incorporation were last amended by notarial deed of 12th January 2017 and published in the RESA n° RESA_2017_029 on 01 February 2017..

The Company is entered in the *Registre de Commerce et des Sociétés* in Luxembourg under the number B 146.514.

II. MANAGEMENT AND ADMINISTRATION

1. BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and management of the Company and of the assets of each sub-fund. It may carry out all acts of management and administration on behalf of the Company; it may in particular purchase, sell, subscribe or exchange any Transferable Securities, Money Market Instruments and other eligible assets and exercise all rights directly or indirectly attached to the Company's assets.

The list of the members of the Board of Directors, as well as of the other administrative bodies in operation may be found in this Prospectus and in the periodic reports.

2. DEPOSITARY AND PRINCIPAL PAYING AGENT, SUB-ADMINISTRATIVE AGENT AND SUB-REGISTRAR AGENT

1. Depositary's functions

The Company has appointed RBC Investor Services Bank S.A. ("RBC"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the "Depositary") of the Company with responsibility for the

- (a) safekeeping of the assets,
- (b) oversight duties and
- (c) cash flow monitoring

in accordance with the Law as amended, and the Depositary Bank and Principal Paying Agent Agreement dated 14 October 2016 and entered into between the Company and RBC (the "Depositary Bank and Principal Paying Agent Agreement").

RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B-47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2015 amounted to approximately EUR 983,781,177.

The Depositary has been authorized by the Company to delegate its safekeeping duties (i) to delegates in relation to other Assets and (ii) to sub-custodians in relation to Financial Instruments and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link:

<http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders in the execution of its duties under the Law as amended and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Law as amended and with the Company's Articles of Incorporation,
- ensure that the value of Shares is calculated in accordance with the Law as amended and the Company's Articles of Incorporation,
- carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the Law as amended or the Company's Articles of Incorporation,

- ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- ensure that the income of the Company is applied in accordance with the Law as amended or the Company's Articles of Incorporation.

The Depositary will also ensure that cash flows are properly monitored in accordance with the Law as amended and the Depositary Bank and Principal Paying Agent Agreement.

In its capacity as Registrar Agent, the Management Company delegates its duties to RBC Investor Services Bank S.A. (hereafter referred to as the "Sub-Registrar Agent"), pursuant to an agreement signed 9th June 2009 between the Management Company, the Company and RBC Investor Services Bank S.A.

As Sub-Registrar Agent, RBC Investor Services Bank S.A. is responsible for processing the issue (registration), redemption and conversion of shares in the Company, for the settlement arrangements thereof, as well as for keeping official records of the Shareholders' Register.

In its capacity as Administrative Agent, the Management Company delegates its duties to RBC Investor Services Bank S.A. (hereafter referred to as the "Sub-Administrative Agent"), pursuant to an agreement signed 9th June 2009 between the Management Company and RBC Investor Services Bank S.A..

As Sub-Administrative Agent, RBC Investor Services Bank S.A. is responsible for the calculation of the Net Asset Value per share, the maintenance of records and other general administrative functions.

2. Depositary's conflicts of interests

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyzes, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a management of conflicts of interests' policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests situations in:
 - Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business ;
 - Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
 - RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
 - RBC does not accept any delegation of the compliance and risk management functions.
 - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC.
 - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link:

https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx

3. MANAGEMENT COMPANY

Lemanik Asset Management S.A. (the "Management Company"), is appointed as management company, principal distributor, administrative agent, registrar agent, as well as domiciliary agent of the Company pursuant to the agreement signed 15 November 2016 between the Company and the Management Company.

As Domiciliary Agent, the Management Company shall grant the Company the right to establish its Registered Office at its address at 106 route d'Arlon, L-8210 Mamer, Grand-Duchy of Luxembourg.

The Management Company is a company incorporated under Luxembourg law with registered office situated at 106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg. The company was incorporated for an indeterminate period in Luxembourg on 1st September 1993 in the form of a limited liability company (a *société anonyme*), in accordance with the 1915 Law, as subsequently amended. Its capital amounts to EUR 2.000.000 (two millions Euro).

The deed of incorporation of the company was published in the *Mémorial, Recueil des Sociétés et Associations* (the "*Mémorial*") (i.e., the Luxembourg Official Gazette) on 5th October 1993 (Luxembourg Trade and Companies Register n° 44.870). The articles of incorporation of the Management Company were last amended by notarial deed of June 6th, 2015 and published in the *Mémorial* on August 25th, 2015.

The Management Company is governed by Chapter 15 of the Law of 17th December 2010 and, in this capacity, is responsible for the collective management of the Company's portfolio. As provided in Appendix II to the Law, these duties encompass the following tasks:

- (I) asset management, the Management Company may:
 - provide all advice and recommendations as to the investments to be made,
 - enter into contracts, buy, sell, exchange and deliver all Transferable Securities and any other assets,
 - exercise, on behalf of the Company, all voting rights attaching to the Transferable Securities constituting the Company's assets.
- (II) administration, which encompasses:
 - a) legal services and accounts management for the Company,
 - b) follow-up of requests for information from clients,
 - c) valuation of portfolios and calculation of the value of Company shares (including all tax issues),
 - d) verifying compliance with regulations,
 - e) keeping the Company's Register of Shareholders,
 - f) allocating Company income,
 - g) issue and redemption of Company shares (Transfer Agent's duties),
 - h) winding-up of contracts (including sending certificates),
 - i) recording and keeping records of transactions.
- (III) marketing the Company's shares.

The rights and obligations of the Management Company are governed by contracts entered into for an indefinite period. At the date of the present Prospectus the Management Company manages also other undertakings for collective investment. The name of all other undertakings for collective investment

managed by the Management Company from time to time are available at the registered office of the Management Company. The Company may release the Management Company from them upon 3 (three) months' written notice. The Management Company may resign from its duties provided it gives the Company 3 (three) months' written notice.

In accordance with the laws and regulations currently in force and with the prior approval of the Company's Board of Directors, the Management Company is authorised to delegate, unless otherwise provided herein, all or part of its duties and powers to any person or company, which it may consider appropriate, it being understood that the Prospectus will be amended prior thereto and that the Management Company will remain entirely liable for the actions of such representative(s).

The management duties and the duties of administrative agent and registrar and transfer agent are currently delegated, as described above.

As consideration for the above services the Management Company shall be paid a commission as stipulated under section VI below.

The Management Company may each quarter be entitled to the payment of an additional commission linked to the performance of each one of the sub-funds (the "Performance Fee"), as stipulated in each sub-fund's relevant data sheet under Appendix III.

- (a) The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the Remuneration Policy).
- (b) The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Sub-Funds.
- (c) Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website http://www.lemanikgroup.com/management-company-service_substance_governance.cfm. A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.
- (d) The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.
- (e) In particular, the Remuneration Policy will ensure that:
 - (i) The staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
 - (ii) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable

- remuneration components, including the possibility to pay no variable remuneration component;
- (iii) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- (f) In context of delegation, the Remuneration Policy will ensure that the Delegate comply with the following:
 - (i) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
 - (ii) if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the Delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
 - (iii) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

4. INVESTMENT MANAGERS

For the definition of the investment policy and the day-to-day management of each of the Company's sub-funds, the board of directors of the Management Company may be assisted, at its own expenses, under its overall control and responsibility by one or several investment manager(s) ("Investment Manager(s)"). It being understood that the Prospectus will be amended accordingly and will contain detailed information.

Pursuant to an Investment Management Agreement effective as of 18 February 2013, Lemanik S.A. has been put in charge by the Management Company of investment management of the Company, in his capacity as Investment Manager, with regard to its choice of investments and the trend of its investment policy.

Lemanik S.A. is a company incorporated under Swiss law with registered office situated in Switzerland, Via Giuseppe Bagutti, 5, 6900 Lugano. The company was incorporated for an indeterminate period in Lausanne on December 16th, 1971 in the form of a joint stock company (i.e., a société anonyme), in accordance with the "Titre XXVI Code Suisse des Obligations".

The company obtained from FINMA (formerly CFB) the authorisation to exercise the activity as a Security Dealer in accordance to the "Loi fédérale sur les bourses et le commerce des valeurs mobilières". Its capital is in the amount of CHF 15.000.000 (fifteen million Swiss Francs).

Supervision of the activities of the Investment Manager(s) is the sole responsibility of the Management Company. However, the Board of Directors assumes ultimate responsibility for the management.

The Management Company will pay the fees of the Investment Manager it may appoint from time to time under its own control and responsibilities.

In addition the Investment Manager may be entitled to receive a performance fee from the Management Company in accordance with the provision for each sub-fund, as described in the sub-fund's relevant data sheet under Appendix III.

The Investment Manager may be assisted, under its overall control and responsibility and with prior approval of the Management Company, by one or more Sub-Investment Manager(s) for each sub-fund.

5. INVESTMENT ADVISORS

The Management Company, respectively the Investment Manager (with the prior approval of the Management Company) are authorised to seek advice for managing the investment of the Company's assets, for one or several sub-fund(s), from any person or corporation which it may consider appropriate (hereafter referred to as the "Investment Advisor(s)").

It being understood that the Management Company respectively the Investment Manager will remain entirely liable for acting under such advice unless in the event of any established wilful misconduct and gross disregard on the part of the Investment Advisor. The Management Company, respectively the Investment Manager, shall not be bound to act, purchase or sell securities, by any advice or recommendation given by the Investment Advisor.

The Investment Advisor shall advise the Management Company, respectively the Investment Manager of the Company on a day-to-day basis and subject to its overall control and responsibilities. Based on this advice, the Management Company, respectively the Investment Manager, will purchase and sell securities, in other words manage the Company's portfolios.

The remuneration due to the Investment Advisor shall be paid by the Management Company or by the Investment Manager, as the case may be.

6. NOMINEES

The Company and the Management Company in its capacity as Principal Distributor, may decide to appoint Distributors and Local Paying Agents to act as nominee (hereinafter the "Nominees"). Nominees must be professionals of the financial sector, domiciled in countries in which financial internal subsidiaries are subject to similar obligations of identification as those which are provided for under Luxembourg law and under Section III 2. D. "Fight against money laundering" below. Such Nominees may be appointed for the purpose of assisting it in the distribution of the shares of the Company in the countries in which they are marketed. Certain Distributors and Local Paying Agents may not offer all of the sub-funds/ classes of shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor or Local Paying Agent for further details.

Nominee contracts will be signed between the Company, respectively – the Management Company, and the various Distributors and/or Local Paying Agents.

In accordance with the Nominee contracts, the Nominee will be recorded in the Register of Shareholders instead of the clients who have invested in the Company. The terms and conditions of the Nominee contracts will stipulate, amongst other things, that a client who has invested in the Company via a Nominee may at all times require that the shares thus subscribed be transferred to his/her name, as a result of which the client will be registered under his/her own name in the Register of Shareholders with effect from the date on which the transfer instructions are received from the Nominee.

Copies of the various Nominee contracts, if any, are available to Shareholders during normal office hours at the Management Company's registered office and at the registered office of the Company.

The shares of the Company may be subscribed directly at the head office of the Sub-Registrar Agent or through the intermediary of Distributors appointed by the Management Company in countries where the shares of the Company are distributed.

Distributors and Local Paying Agents are banks or financial intermediaries that pertain to a regulated group headquartered in a FATF (Financial Action Task Force on Money Laundering) country. Such groups apply FATF provisions regarding money laundering issues to all their subsidiaries and affiliates.

A list of the Distributors and Local Paying Agents, if any, shall be at disposal at the Management Company's and the Company's registered office.

7. AUDITOR OF THE COMPANY

The Company's accounts and annual reports are revised by Deloitte Audit S.a.r.l., 560 rue de Neudorf, L-2220 Luxembourg, in its capacity as the Company's auditors.

III. THE SHARES

1. GENERAL PRINCIPLES

The Company's capital is represented by the assets of its various sub-funds, each sub-fund having its own investment policy. Subscriptions are invested in the assets of the relevant sub-fund.

A. CLASSES OF SHARES

Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each sub-fund, one or several class(es) of shares, the assets of which will be commonly invested but subject to specific features which are defined hereunder for the different classes of shares such as, but not limited to, sales and/or redemption charge structures, currency structures, marketing target or hedging policies. Where different classes are issued within a sub-fund, the details of each class are described in the sub-fund's relevant data sheet under Appendix III. References herein to shares of a sub-fund should be construed as being to shares of a class of a sub-fund also, if the context so requires.

For the time being, within each sub-fund, the Company has decided to issue classes of shares as further described in the synthetic table under Appendix III C.

Should it become apparent that shares of "Institutional" classes are held by individuals other than those authorised, the Board of Directors will have the said shares converted, free of charge, into shares of "Retail" classes.

Before subscribing, investors are invited to check in each sub-fund's data sheet under Appendix III which classes of shares are available in each sub-fund. Any minimum initial subscription amount, minimum further subscription amount and minimum holding amount, if any are also mentioned in the list of sub-funds launched under Appendix III.C.

The shares will be issued at the subscription prices calculated on each Valuation Day mentioned under each sub-fund's relevant data sheet under Appendix III.

The assets of the various classes of a sub-fund are combined into one single portfolio.

The Company may, in the interests of the Shareholders, split or consolidate the shares of any sub-fund or class.

The Company may open further sub-funds and thus create new shares of each class representing the assets of these sub-funds.

Any individual or corporate entity may acquire shares in the various sub-funds making up the net assets of the Company by following the procedures defined in this section.

The shares of each sub-fund are of no par value and carry no preferential subscription rights upon the issue of new shares. Each share carries one vote at the General Meetings of Shareholders, regardless of its Net Asset Value.

All shares in the Company must be fully paid up.

B. DIVIDENDS

Shareholders may have their distribution shares exchanged for capitalisation shares, and vice versa, at their own expense, within the same category of a sub-fund at any time. This exchange is carried out on the basis of the parity of the day.

C. REGISTERED SHARES

The shares are, as determined by the Board of Directors for each sub fund in registered form only.

If a registered Shareholder requires more than one certificate for his/her shares, the cost of such additional share certificates may be charged to the Shareholder.

D. CERTIFICATES AND FRACTIONS OF SHARES

Shareholders will receive confirmations of inscription in the Shareholders' register, as the Shareholder's requests. Registered share certificates are only issued upon the Shareholder's formal request.

Shareholders who request the material delivery of their registered share certificates may have to pay the cost incurred by such delivery.

Fractions of shares with up to three decimal places will be issued for registered shares. In the case of registered shares held in account (with or without attribution of fractions of shares), any remainder after subscription will be reimbursed to the Shareholder, unless the amount is less than EUR 15.- (fifteen Euro) or its currency equivalent, as the case may be. Amounts thus not reimbursed will revert to the relevant sub-fund.

Registered share certificates will be issued in paper form for all shares and/or fractions of shares subscribed.

Share transfer forms for the transfer of registered shares are available at the registered office of the Sub-Registrar Agent.

2. SHARE ISSUE AND SUBSCRIPTION PRICE

A. CONTINUOUS OFFERING

After the close of the Initial Offering Period (as stipulated in each sub-fund's relevant data sheet under Appendix III) each sub-fund's share may be subscribed at the registered office of the Sub-Registrar Agent on any Valuation Day as stipulated in each sub-fund's relevant data sheet under Appendix III at a price per share equal to the Net Asset Value per share calculated on such relevant Valuation Day for the relevant sub-fund plus a maximum subscription fee in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III.

This subscription fee may be distributed to the various financial intermediaries involved in the marketing of the shares.

Any investor applying for subscription of shares may at any time request such subscription by way of a written application, considered irrevocable, sent to the Sub-Registrar Agent. Requests must contain the following information: the exact name and address of the person making the subscription request and the amount or the number of shares to be subscribed, the sub-fund to which such subscription applies, the form of the shares (registered), as well as the category or class of shares concerned.

Provided the application together with any required documentation is received prior to 5 p.m., Luxembourg time, on the Bank Business Day in Luxembourg preceding the next applicable Valuation Day, the shares will be issued based on the Net Asset Value per share applicable on the next Valuation Day. If received thereafter, the application will be deferred to the next following Valuation Day.

The Directors may, however, decide to fix an earlier deadline for receipt of applications if they consider that as a result of large market fluctuations this is necessary to protect the Company and its Shareholders.

The Company reserves the right to reject any application in whole or in part. Details of the method of application for shares are set out in the application form. Application forms can be obtained from the registered office of the Sub-Registrar Agent. Investors may apply for shares by facsimile, telex or letter at the registered office of the Sub-Registrar Agent. The Board of Directors may moreover reserve the right to discontinue without notice both the issue and the sale of the shares of the Company.

The proceeds for subscription shall be received by wire transfer to the account of the concerned sub-fund of the Company, opened with the Depositary within 5 (five) Bank Business Days following the applicable Valuation Day. Payment may be made in the sub-fund reference currency in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III. Shares will be allotted on receipt of the payment and of the duly fulfilled application form.

The Company may, under its own responsibility and in accordance with this Prospectus, but except during the Initial Offering Period, accept listed securities in payment of a subscription if it deems such transaction to be in the interest of the Shareholders. However, the securities of companies that are accepted as payment for a subscription must be compatible with the investment policy of the sub-fund concerned.

For all securities accepted in payment for a subscription, the Sub-Registrar Agent will be required to have a valuation report drawn up by the Company's auditors giving in particular the quantity, denomination and method of valuation adopted for these securities. Such report will also specify the total value of the securities expressed in the currency of the sub-fund concerned by this contribution. The securities accepted as payment for a subscription are valued for the purpose of the transaction at the last available market bid price of the Bank Business Day with reference to which the Net Asset Value applicable to the subscription is calculated. The Board of Directors may refuse any securities offered in payment for a subscription at its own discretion and without having to justify its decision.

Taxes or brokerage fees that may be due on a subscription are paid by the subscriber. Under no circumstances may these costs exceed the maximum authorised by the laws, regulations and general banking practices of the countries in which the shares are acquired.

The Board of Directors has resolved to only accept Shareholders' initial applications for ownership in any sub-fund class of shares for a minimum initial subscription amount stipulated in the list of sub-funds launched under Appendix III.C.

The Board of Directors may set for each sub-fund or class of shares different minimum initial subscription amount in accordance with the provision described in the list of sub-funds launched under Appendix III.C.

No shares will be issued by the Company in a sub-fund during any period when the calculation of the Net Asset Value per share of such sub-fund is suspended by the Company pursuant to the power reserved to it by its Articles of Incorporation and described under Section IV "Net Asset Value" hereafter. Notice of any such suspension shall be given to the persons having applied for subscription, and any application either presented or suspended along such suspension may be withdrawn by way of a written notice to be received by the Company prior to the termination of the relevant suspension. Unless so withdrawn, any application shall be taken into consideration on the first Valuation Day following such suspension.

The issue, redemption and conversion price of shares in the sub-fund is available at the registered office of the Company, of the Management Company's and of the Sub-Administrative Agent.

B. REFUSAL OF SUBSCRIPTIONS

The Company may restrict or prevent the ownership of shares by any person, firm or company. More specifically, the Company has restricted the ownership of shares by nationals, citizens or residents of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction and by persons who are normally resident therein (including the estate of any such person or corporations or partnerships created or organised therein) ("United States Persons"), and, where it appears to the Company that any person who is precluded from holding shares either alone or in conjunction with any other person is a beneficial owner of shares, the Company may compulsory purchase all the shares so owned.

The Company does not allow Market Timing practice (defined as an arbitrage method through which an investor systematically subscribes and redeems or converts shares of the Company within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the Company).

Moreover, in any case of suspicion of such Market Timing practice it reserves the right to:

- refuse any subscription;
- redeem at any time shares in the Company which were unlawfully subscribed or held and notably through such Market Timing practice.

Such actions do not need to be justified.

C. CERTIFICATES

Share certificates are made available to subscribers, upon formal request, at the Sub-Registrar Agent's offices, or at other establishments designated by the Company.. They may be replaced, should the certificates not be materially available, by a simple confirmation signed by the Sub-Registrar Agent until delivery of the certificates.

D. FIGHT AGAINST MONEY LAUNDERING

Within the context of the fight against money laundering, application forms must be accompanied by a true copy certified by a competent authority (such as an embassy, consulate, notary or police commissioner) of the subscriber's identity card, for individuals, or by a copy of the Articles of Incorporation and extract of the trade register for corporate entities, in the following cases:

1. if the application is made directly to the Sub-Registrar Agent;
2. if the application is made via a professional of the financial sector residing in a country which is not required to follow an identification procedure equivalent to the standards applied in Luxembourg relating to the prevention of the use of the financial system for money-laundering purposes;
3. if the application is made via a subsidiary or branch whose parent company is required to follow an identification procedure equivalent to that required by Luxembourg law, if the law governing the parent company does not oblige it to ensure that the said procedure is followed by its subsidiaries and branches.

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

It is generally accepted that investment professionals and financial sector institutions resident in countries adhering to the conclusions of the FATF report (Financial Action Task Force on Money Laundering) are considered to be required to enforce an identification procedure equal to the one required by Luxembourg law.

In relation to an application for redemption, or transfer of shares, the Company and/or Sub-Registrar Agent may require at any time such documentation as it/they deem appropriate. Failure to provide such information in a form which is satisfactory to the Company and/or Sub-Registrar Agent may result in an application for redemption or transfer not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of shares, then such payment may not proceed.

3. REDEMPTION OF SHARES

Shareholders may place redemption orders every Bank Business Day for all or part of their shareholdings. Redemption requests, considered irrevocable, should be sent at the registered office of the Sub-Registrar Agent. Requests must contain the following information: the exact name and address of the person making the redemption request and the number of shares to be redeemed, the sub-fund to which such shares belong, the form of the shares (registered), as well as the class of shares.

Redemption applications are to be accompanied by the certificate(s) representing the registered shares.

Provided the application together with any required documentation is received prior to 5 p.m., Luxembourg time, on the Bank Business Day in Luxembourg preceding the next applicable Valuation Day, the shares will be redeemed based on the Net Asset Value per share applicable on the next Valuation Day. If received thereafter, the application will be deferred to the next following Valuation Day.

The Directors may, however, decide to fix an earlier deadline for receipt of applications if they consider that as a result of large market fluctuations this is necessary to protect the Company and its Shareholders.

A redemption fee at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III may be deducted from this amount.

The redemption value may be higher than, equal to, or lower than the initial purchase price.

The redemption proceeds will normally be paid on the fifth Bank Business Day after the relevant Valuation Day or from the day of receipt of the relevant certificates, by bank transfer.

Redemption orders will not actually be processed, and the redemption proceeds will not actually be paid until

- the Company's Sub-Registrar Agent has received the certificate(s) representing the shares to be redeemed, or
- the Sub-Registrar Agent has received confirmation from an independent depository that irrevocable instructions have in fact been given for the delivery of the securities, or
- the transfer form for registered shares has been received.

Neither the Board of Directors, nor the Sub-Registrar Agent may be held responsible for any lack of payment of whatever form resulting from the application of possible exchange controls or other circumstances beyond their control which may limit or render impossible the transfer of the redemption proceeds to other countries.

Redemption in kind

Under exceptional circumstances and upon special request by the Shareholder, the Board of Directors may accept requests for redemptions in kind. For any securities delivered as payment for redemption, the Sub-Registrar Agent will be required to have a valuation report drawn up by the Company's auditor; this report will mention the quantity, denomination and valuation method adopted for such securities.

The report will also specify the total value of the securities, expressed in the currency of the sub-fund in which the redemption is made. The securities delivered as payment for a redemption are valued at the last available market offer bid of the Bank Business Day with reference to which the Net Asset Value applicable to the redemption is calculated. The Board of Directors will make sure that such redemptions in kind will not be detrimental to the remaining Shareholders.

Any cost incurred in connection with a redemption in kind of securities shall be borne by the relevant Shareholder.

In addition to the suspension of the issue of shares, a suspension of the calculation of the Net Asset Value of the Company's assets entails also the suspension of redemptions. Any suspension of redemptions will be notified in accordance with Section IV "Net Asset Value" by all appropriate means to the Shareholders having presented their requests, the execution of which has been differed or suspended.

If the total net redemption requests received for one sub-fund on any Valuation Day exceed 10% of the net assets thereof, the redemption requests presented may be reduced and differed proportionally so as to reduce the number of shares redeemed on such day to 10% of the assets of the sub-fund in question. Any redemption request thus differed will have priority over the redemption requests received on the following Valuation Day, but always subject to the limit of 10% mentioned above.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

4. CONVERSION OF SHARES

A conversion can be analyzed as a simultaneous transaction of redemption and subscription of shares.

Consequently, such a transaction may only be processed on the first Valuation day on which both the Net Asset Values of the sub-funds involved in the said transaction are calculated.

Within one share class, Shareholders may request at any time the conversion of all or part of their holdings into shares of another sub-fund and class of shares.

Conversion, considered irrevocable, should be sent at the registered office of the Sub-Registrar Agent by letter, telex or facsimile, and by indicating the name of the sub-fund into which the shares are to be converted and specifying the class of the shares to be converted, the class of the shares of the new sub-fund to be issued and whether they are registered shares. If this information is not given, the conversion will be made into shares of the same class.

Provided the application together with the required documentation is received prior to 5 p.m., Luxembourg time, on the Bank Business Day in Luxembourg preceding the next applicable Valuation Day, the shares will be converted based on the Net Asset Value per share applicable on the next Valuation Day. If received thereafter, the application will be deferred to the next following Valuation Day.

The Directors may, however, decide to fix an earlier deadline for receipt of applications if they consider that as a result of large market fluctuations this is necessary to protect the Company and its Shareholders.

Conversion requests are to be accompanied the certificate(s) representing the registered shares.

Subject to a suspension of the calculation of the Net Asset Value, shares may be converted on any Valuation Day following receipt of the conversion request, by reference to the Net Asset Value of the shares of the sub-funds concerned as established on such Valuation Day.

The rate at which all or part of the holding of a given sub-fund (the "original sub-fund") is converted into shares of another sub-fund (the "new sub-fund") is determined as precisely as possible in accordance with the following formula:

$$A = \frac{(B \times C) - F \times E}{D}$$

A being the number of shares of the new sub-fund to be attributed;

- B being the number of shares of the original sub-fund to be converted;
- C being the prevailing Net Asset Value per share of the original sub-fund on the day in question;
- D being the prevailing Net Asset Value per share of the new sub-fund on the day in question; and
- E being the exchange rate applicable at the time of the transaction between the currency of the sub-fund to be converted and the currency of the sub-fund to be attributed;
- F being a conversion fee payable to the original sub-fund, at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III.

A conversion fee at a maximum rate in accordance with the provision described in the sub-fund's relevant data sheet under Appendix III may be deducted from the prevailing Net Asset Value per share of the original sub-fund used for the conversion. This maximum rate should be the same applicable rate for all the conversion order executed on the same Valuation Day.

After conversion, the Sub-Registrar Agent will inform the Shareholders of the number of shares obtained of the new sub-fund and their cost.

In the case of registered shares held in account (with or without attribution of fractions of shares), any remainder after conversion will be reimbursed to the Shareholder, unless the amount is less than EUR 15.- (fifteen Euro) or its currency equivalent, as the case may be. Amounts thus not reimbursed will revert to the relevant sub-fund.

In converting shares of a sub-fund into shares of another sub-fund, a Shareholder must meet the applicable minimum initial subscription amount requirements of this sub-fund, if any.

If, as a result of any request for conversion, the number of shares held by any Shareholder in a sub-fund or class would fall below the value of minimum initial subscription amount indicated in the old sub-fund, the Company may treat such request as a request to convert the entire shareholding of such Shareholder. In addition, the Shareholder must comply with the minimum holding requirements, if any, with respect to the new sub-fund, as stipulated in the list of sub-funds launched under Appendix III.C.

No conversion of shares may be carried out whenever the calculation of the Net Asset Value of one of the sub-fund or class of shares involved in the conversion operation is suspended.

Any suspension of conversions will be notified in accordance with Section IV "Net Asset Value" by all appropriate means to the Shareholders having presented their requests, the execution of which has been differed or suspended.

5. STOCK EXCHANGE LISTING

The Board of Directors may decide to list the Shares of each Sub-Fund or Classes, as and when issued, on the Luxembourg Stock Exchange.

IV. NET ASSET VALUE

1. GENERAL PRINCIPLES

A. DEFINITION AND CALCULATION OF THE NET ASSET VALUE

The Net Asset Value per share of each sub-fund and class of shares of the Company is calculated in Luxembourg by the Sub-Administrative Agent, under the responsibility of the Board of Directors, in principle on each Valuation Day on a frequency as defined in the sub-funds' relevant data sheets under Appendix III, provided this day is a Bank Business Day.

The Net Asset Values are expressed in the sub-fund's, class's respective reference currency, as stated in the list of sub-funds launched under Appendix III.C.

The value of the shares of each sub-fund and class is obtained by dividing the Net Asset Value of the assets of the sub-fund and class considered by the number of outstanding shares of these sub-funds and classes.

In every sub-fund in which both distribution shares and capitalisation shares shall have been issued and are outstanding, the Net Asset Value shall be determined for each distribution share as well as for each capitalisation share.

Whenever dividends are allocated to distribution shares belonging to a given class of shares, the share of the net assets of the sub-fund to be allocated to the whole of distribution shares shall be reduced by the overall amounts of the distributed dividends.

If the Board of Directors considers that the Net Asset Value calculated on a given Valuation Day is not representative of the true value of the Company's shares, or if, since the calculation of the Net Asset Value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may decide to actualise the Net Asset Value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the actualised Net Asset Value with care and good faith.

B. DEFINITION OF THE PORTFOLIOS OF ASSETS

The Board of Directors will establish a distinct portfolio of net assets for each sub-fund. Where relations between Shareholders and third parties are concerned, this portfolio will be attributed only to the shares issued by the sub-fund in question, taking into account, if necessary, the break-down of this portfolio between the distribution and/or capitalisation shares of this sub-fund, in accordance with the provisions of this clause.

In order to establish these different portfolios of net assets:

1. if two or more shares' classes belong to a given sub-fund, the assets allocated to such classes will be invested together according to the investment policy of the relevant sub-fund subject to the specific features of said shares' classes;
2. the proceeds resulting from the issue of the shares of a class of a given sub-fund will be attributed in the Company's accounts to the relevant class of this sub-fund and the assets, liabilities, income and expenses relating to this sub-fund/ class will also be attributed thereto;
3. the assets, liabilities, income and expenses relating to this sub-fund/ class will also be attributed thereto;
4. where any asset derives from another asset, such derivative asset will be applied in the books of the Company to the same sub-fund from which it was derived, and on each subsequent revaluation of an asset, the increase or decrease in value will be attributed to the sub-fund to which it belongs;
5. if the Company has to bear a liability which is connected with an asset of a particular sub-fund or class with a transaction carried out in relation to an asset of a particular sub-fund or class, this liability will be attributed to that particular sub-fund or class (for example: hedging transactions);

6. in the case where any asset or liability of the Company cannot be considered as being attributable to a particular class of shares, such asset or liability shall be allocated to all the classes of shares pro rata to their respective Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith. With reference to the relations between Shareholders and third parties, each sub-fund and class of shares will be treated as a separate entity;
7. after payment of dividends to distribution shares of a particular class, the Net Asset Value of this class attributable to these distribution shares will be reduced by the amount of such dividends.

C. VALUATION OF ASSETS

The assets of each sub-fund of the Company will be valued in accordance with the following principles:

- 1 The value of any cash at hand or on deposit, bills, demand notes and accounts receivable, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets, except if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of the assets.
- 2 The value of Transferable Securities and Money Market Instruments listed on an official Stock Exchange or dealt in on a regulated market which operates regularly and is recognised and open to the public (a "Regulated Market"), as defined by laws and regulations in force, is based on the latest available price and if such Transferable Securities are dealt in on several markets, on the basis of the latest known price on the stock exchange which is normally the principal market for such securities. If the latest known price is not representative, the value shall be determined based on a reasonably foreseeable sales price to be determined prudently and in good faith.
- 3 In the event that any Transferable Securities or/and Money Market Instruments are not listed or dealt in on any stock exchange or any other Regulated Market operating regularly, recognised and open to the public, as defined by the laws and regulations in force, the value of such assets shall be assessed on the basis of their foreseeable sales price estimated prudently and in good faith.
- 4 The liquidating value of derivative contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined by the Board of Directors in a fair and reasonable manner, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward and options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
- 5 The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 (twelve) months and of more than 90 (ninety) days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 (ninety) days or less will be valued by the amortised cost method, which approximates market value.
- 6 Units of undertakings for collective investment in transferable securities ("UCITS") and/or other UCI will be valued at their last determined and available Net Asset Value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.
- 7 Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.

- 8 All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

The value of all assets and liabilities not expressed in the reference currency of a sub-fund will be converted into the reference currency of such sub-fund at rates last quoted by major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, at its sole discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

Every other asset shall be assessed on the basis of the foreseeable realisation value which shall be estimated prudently and in good faith.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of its assets.

All and any assets not expressed in the currency of the sub-fund to which they belong shall be converted into the currency of that sub-fund at the exchange rate applying on the concerned Bank Business Day or at such exchange rate as may be agreed in the relevant forward contracts.

The value of the net assets per share of each class, distribution shares and capitalisation shares, as well as their issue, redemption and conversion prices shall be made available at the registered office of the Company every Bank Business Day.

Adequate deductions will be made for expenses to be borne by the Company and account will be taken of the Company's liabilities according to fair and prudent criteria. Adequate provisions will be made for the expenses to be borne by the Company and account may be taken of the Company's off balance sheet liabilities according to fair and prudent criteria.

2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE, OF ISSUES, CONVERSIONS AND REDEMPTIONS OF SHARES

- A. The Board of Directors is authorised to suspend temporarily the calculation of the Net Asset Value of the assets of one or more sub-fund(s) or class(es) of the Company and the value per share of such sub-fund(s) or class(es), as well as the issue, redemption and conversion of the shares of these sub-funds or classes, in the following cases:
- a) when any of the principal stock exchanges, on which a substantial portion of the assets of one or more sub-funds of the Company is quoted, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
 - b) when the market of a currency, in which a substantial portion of the assets of one or more sub-fund(s) or class(es) of the Company is denominated, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
 - c) when any breakdown arises in the means of communication normally employed in determining the value of the assets of one or more sub-fund(s) or class(es) of the Company or when for whatever reason the value of one of the Company's investments cannot be rapidly and accurately determined;
 - d) when exchange restrictions or restrictions on the transfer of capital render the execution of transactions on behalf of the Company impossible, or when purchases or sales made on behalf of the Company cannot be carried out at normal exchange rates;
 - e) when political, economic, military, monetary or fiscal circumstances which are beyond the control, responsibility and influence of the Company prevent the Company from disposing of the assets, or from determining the Net Asset Value, of one or more sub-fund(s) or class(es) of the Company in a normal and reasonable manner;
 - f) as a consequence of any decision to liquidate or dissolve the Company or one or several sub-fund(s) or class(es).

- B. Any suspension of the calculation of the Net Asset Value of the shares of one or more sub-fund(s) or class(es) will be announced by all appropriate means, and in particular by publication, if appropriate, in the newspapers in which these values are usually published. The Company will inform the Shareholders having requested the subscription, redemption or conversion of the shares of these sub-funds or classes of any suspension of calculation in the appropriate manner.

Such suspension with regard to any of the sub-funds or classes of shares shall have no effect on the calculation of the Net Asset Value, the issue, the redemption and the conversion of the shares into another sub-fund or class of shares.

During the suspension period, Shareholders may cancel any subscription, redemption or conversion orders they have placed. If orders are not cancelled, shares will be issued, redeemed or converted on the basis of the first Net Asset Value calculated after the suspension period.

- C. In exceptional circumstances which may be detrimental to the Shareholders' interests (for example large numbers of redemption, subscription or conversion requests, strong volatility on one or more market(s) in which the sub-fund(s) or class(es) is (are) invested, the Board of Directors reserves the right to postpone the determination of the value of this (these) sub-fund(s) or class(es) until the disappearance of these exceptional circumstances and if the case arises, until any essential sales of securities on behalf of the Company have been completed.

In such cases, subscriptions, redemption requests and conversions of shares, which were suspended simultaneously, will be satisfied on the basis of the first Net Asset Value calculated thereafter.

V. DIVIDENDS

1. DISTRIBUTION POLICY

The annual general meeting of shareholders shall each year decide to distribute dividends, on the proposals of the Directors in this matter and within the limits of article 31 of the Law 17 December 2010. However, for each class of shares that has the right to receive them, the Board may decide to pay interim dividends within the limits permitted by the Law 17 December 2010.

To the extent profits are not distributed, the value of such profits will be reflected in the relevant Net Asset Value.

Dividend announcements, if the case may be, will be published in the "Luxemburger Wort" and in such other newspapers to be determined by the Board of Directors, unless all such Shareholders and their addresses are known to the Company, in which case each such Shareholder shall be informed in writing.

Any distribution that has not been claimed within five (5) years of its declaration shall be forfeited and shall be accrued for the benefit of the class of shares of the relevant sub-fund.

No interest shall be paid on a dividend declared by the Company and kept by it at the disposal of its beneficiary.

In any event, no distribution may be made if, as a result, the net assets of the Company would fall below EUR 1,250,000.00 (one million two hundred fifty thousand Euro).

Upon distribution of a dividend to the distribution shares, the amount attributable to the shares of these classes is reduced by the total amount of the dividend, whereas the net asset amount attributable to the capitalisation shares remains unchanged.

Therefore, any dividend payment necessarily leads to an increase in the ratio between the value of the capitalisation shares and that of the distribution shares of the sub-fund concerned. This ratio is called "parity" in this Prospectus.

VI. CHARGES AND EXPENSES

1. FEES TO BE BORNE BY THE COMPANY

The following costs will be charged to the Company:

- costs incurred in connection with the formation of the Company, including the cost of services rendered in the incorporation of the Company and in obtaining approval by the competent authorities;
- remuneration of the Depositary, the Principal Paying Agent, the Sub-Registrar Agent and, the Management Company and, if any, the remuneration of correspondents;
- Sub-administrative Agent and Domiciliary Agency fees;
- auditors' costs and audit fees;
- remuneration of the Directors and reimbursement of their reasonable expenses, if any;
- costs of printing and publishing information for the Shareholders and in particular the costs of printing and distributing the periodic reports, as well as the Prospectuses, brochures and other marketing material;
- brokerage fees and any other fees arising from transactions involving securities in the Company's portfolio;
- all taxes and duties which may be payable on the Company's income;
- the annual registration fee (cf. Section VII 1), as well as taxes or other fees payable to the supervisory authorities and costs relating to the distribution of dividends;
- extraordinary expenses, in particular those relating to the consultation of experts or other such proceedings as may protect the Shareholders' interests;
- annual fees payable for stock exchange listing, if any;
- subscriptions to professional associations and other organisations in Luxembourg, which the Company will decide to join in its own interest and in that of its Shareholders;
- risk and compliance management and fund reports.
- shares of each sub-fund may also be subject to a Shareholder servicing fee accrued daily and payable monthly at the annual rates indicated for each sub-fund in Appendix III. Such Shareholder servicing fee is payable to intermediaries supplying consultancy services for marketing, communication and data provision purposes.

The Company will pay to the Depositary, Sub-Registrar Agent annual fees which will amount to a maximum percentage of 2 % of the net asset value per sub-fund, depending on the total net assets of the Company with a minimum fee per sub-fund of EUR 14,400.-. These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depositary and the Sub-Registrar Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

The amount paid by the Company to the Depositary and Sub-Registrar Agent will be mentioned in the annual report of the Company.

As remuneration for its Corporate and Domiciliary services, the Management Company as Domiciliary Agent will receive from the Company an annual fee of 5,000 EUR plus 1,000 EUR p.a. per sub-fund.

The Management Company is entitled to receive a management company fee of 0.10% per annum per sub-fund (with a minimum of 15,000 EUR). This fee is payable monthly and based and calculated on the average net assets of each sub-fund during the relevant month.

In addition the Management Company will charge an annual fixed fee of EUR 1,000 per sub-fund.

For risk management activities, the Management Company is entitled to receive a risk management fee of 0,05% per annum per sub-fund. This fee is payable monthly and based on the average net assets of each sub-fund during the relevant month.

For administration activities, the Management Company is entitled to receive an administration fee of EUR 30,000 per sub-fund and EUR 5,000 for any additional class of shares. This fee does not include the remuneration of the activities linked to the recalculation of the net asset value required in the context of CSSF's circular 2002/77.

The Management Company is entitled to receive an investment management fee of maximum 2% per annum per class. The percentage is more specifically disclosed in the relevant sub-fund's data sheet under Appendix III.

In addition, any reasonable disbursements and out-of-pocket expenses, including telephone, telex, facsimile, electronic transmission and postage expenses etc. incurred by the Depositary, the Sub-Administrative Agent or the Sub-Registrar Agent within the framework of their mandates, as well as correspondents' costs, will be borne by the relevant sub-fund of the Company. In its capacity as Paying Agent, the Depositary may charge the usual fee charged in the Grand Duchy of Luxembourg.

Under the terms of the agreement entered into by the Company and the Management Company, the Company will pay fees appearing in each sub-fund's relevant data sheet under Appendix III. The Management Company will pay the Investment Manager out of these fees.

All recurring general costs will be charged first against investment income, then, should this not be sufficient, against realised capital gains.

Costs related to the establishment of any new sub-fund will be borne by such new sub-fund and amortised over a period of 1 (one) year from the date of establishment of such sub-fund or over any other period as the Directors may determine, with a maximum of 5 (five) years starting on the date of the sub-fund's establishment.

When a sub-fund is liquidated, any setting-up costs that have not yet been amortised will be charged to the sub-fund being liquidated.

2. FEES TO BE BORNE BY THE SHAREHOLDER

The fees paid by Shareholders are described in each relevant sub-fund's data sheet under Appendix III.

VII. TAX STATUS - APPLICABLE LAW - OFFICIAL LANGUAGE

1. TAX STATUS

A. TAXATION OF THE COMPANY

The Company is governed by Luxembourg tax laws.

Under current law and practice, the Company is liable, at the date of this Prospectus, to an annual registration tax of 0,05% (except those sub-funds or share classes, which may benefit from the lower rate of 0,01% as more fully described in article 174 of the Law of 17th December 2010, i.e. the "Institutions" (considered as institutional investors in accordance with Luxembourg law) class of shares of the various sub-funds). No such tax is due on the portion of the assets of the Company invested in other Luxembourg UCIs (if any) provided that such assets have already been subject to the subscription tax. This tax is payable quarterly and calculated on the basis of the Company's net assets at the end of the relevant quarter.

No duty or other tax will be paid in Luxembourg on the issue of shares of the Company barring a lump tax in the amount of EUR 1.250 (one thousand two hundred and fifty Euro) payable at the time of incorporation.

Income received by the Company may be liable to withholding taxes in the country of origin and is thus collected by the Company after deduction of such tax. This is neither chargeable nor recoverable.

B. TAXATION OF THE SHAREHOLDERS OF THE COMPANY

Under the present system, neither the Company, nor its Shareholders (with the exception of individuals or corporate entities residing in the Grand Duchy of Luxembourg or non-residents and former residents holding 10% or more of the issued share capital of the Company) are subject in Luxembourg to any taxation of or withholding on their income, on realised or unrealised capital gains, on transfers of shares for cause of death or on amounts received subsequent to dissolution.

Potential Shareholders are advised to make inquiries and, if necessary, to take advice on the subject of the laws and rulings (such as those concerning taxation and exchange control) which apply to the subscription, purchase, holding and disposal of shares in their country of origin, residence and/or domicile.

However the attention of the Shareholders is drawn on the fact that according to the Luxembourg law dated 21st June 2005, introducing the EU Directive 2003/48/EEC dated 3rd June 2003 on the taxation of savings paid under the form of interest (hereinafter referred to as "the Directive"), a withholding tax may be levied since 1st July 2005, on any interest payment arising from savings (hereinafter referred to as "the Income"). A Luxembourg based paying agent shall levy this withholding tax on behalf of the economical beneficiaries, provided these economical beneficiaries are individuals who are tax resident in a State Member other than Luxembourg. Should the Luxembourg based paying agent not be allowed to disclose information in order to identify the relevant economical beneficiary of the Income, a withholding tax shall thus be levied at an initial rate of 15% until 30th June 2008. An increased rate of 20% shall then be applicable until 30th June 2011. A final 35% rate shall then apply as of 1st July 2011.

2. APPLICABLE LAW

Any disputes between Shareholders and the Company are settled by arbitration in accordance with Luxembourg law, finally and without recourse.

3. OFFICIAL LANGUAGE

The official language of this Prospectus and of the Articles of Incorporation is English. However, the Board of Directors and the Management Company may, personally and on behalf of the Company, consider that these documents must be translated into the languages of the countries in which the shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus is translated, the English text will prevail.

VIII. FINANCIAL YEAR - MEETINGS - REPORTS

1. FINANCIAL YEAR

The financial year of the Company starts each year on 1st October and ends on the last day of September of the following year. The first financial year begins on the launching date of the fund and ends on 30th September 2009.

2. MEETINGS

The Annual General Meeting of Shareholders will be held in Luxembourg, at the registered office of the Company, on the second Tuesday in the month of February at 11 a.m. If this day is a legal public holiday in Luxembourg, the Annual General Meeting will be held on the next following Bank Business Day. The First Annual General Meeting of shareholders will be held in Luxembourg on 9th February 2010.

The Board of Directors may convene an Extraordinary General Meeting. They shall be obliged to convene it so that it is held within a period of one month if Shareholders representing one tenth of the capital so required in writing with an indication of the agenda.

Furthermore, one or several Shareholders representing at least one tenth of the Company share capital may request the adjunction of one or several items to the agenda of any General Meeting of Shareholders.

Convening notices for every General Meeting shall contain the agenda and shall take the form of announcements published twice, with a minimum interval of 8 (eight) days, and 8 (eight) days before the meeting, in the Mémorial and in a Luxembourg newspaper.

Notices by regular post mail shall be sent 8 (eight) days before the meeting to registered Shareholders, but no proof need to be given that this formality has been complied with.

Where all the shares are in registered form, the Board of Directors may decide that convening notices may be sent only by registered letters.

The Shareholders of any particular sub-fund may, upon proposal from the Board of Directors, hold General Meetings at any time for the purpose of considering matters that concern that particular sub-fund only.

Moreover, the Shareholders of any class of shares may, upon proposal from the Board of Directors, hold General Meetings at any time for the purpose of considering matters that concern that particular class only.

Resolutions taken at such meetings will respectively apply to the Company, to the relevant sub-fund and/or to the class of shares.

3. PERIODIC REPORTS

Annual reports as at the last day of September, certified by the Auditors, and for the first time on 2009 and uncertified semi-annual reports as at last day of March, and for the first time on 2010 are available to Shareholders free of charge.

The Company is authorised to publish an abridged version of the financial reports. However, a complete version of the financial reports may be obtained free of charge at the registered office of the Company, or the Management Company, as well as from the establishments designated by the Company. These reports will contain information concerning each sub-fund as well as the assets of the Company as a whole.

The financial statements of each sub-fund are expressed in its respective reference currency, whereas the consolidated accounts will be expressed in Euro.

The annual reports, which are made available within 4 (four) months after the end of the financial year, as well as the semi-annual reports, which are made public within 2 (two) months after the end of the half-year, are held at the Shareholders' disposal at the registered office of the Company and of the Management Company.

4. EXERCISE OF THE SHAREHOLDERS' RIGHTS

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

IX. LIQUIDATION OF THE COMPANY - MERGER OF SUB-FUNDS OR CLASSES

1. LIQUIDATION OF THE COMPANY

The Company will be liquidated in accordance with the provisions of the Law of 17th December 2010.

A. MINIMUM ASSETS

If the capital of the Company falls below two thirds of the required minimum, the Directors must submit the question of the Company's dissolution to a General Meeting of Shareholders for which no quorum will be prescribed and which will decide by a simple majority of the shares represented at the Meeting.

If the capital of the Company falls below one quarter of the required minimum, the Directors must submit the question of the Company's dissolution to the General Meeting of Shareholders for which no quorum will be prescribed; dissolution may be decided by the Shareholders holding one quarter of the shares represented at the Meeting.

The Meeting will be convened so as to be held within 40 (forty) days from the date on which the net assets are recorded as having fallen below either two thirds or one quarter of the legal minimum.

Moreover, the Company may be dissolved by a decision of a General Meeting ruling in accordance with the relevant statutory provisions.

Notice of the General Meeting's decision, or the Court's decision, to dissolve and liquidate the Company will be published in the "Mémorial", if such publication is required by the applicable law or by the Articles of Incorporation and in 1 (one) Luxembourg newspaper with adequate circulation, and, as the case may be, in the newspapers of the countries in which the shares are marketed, as determined by the Board of Directors.

B. VOLUNTARY LIQUIDATION

In case the Company is dissolved, its liquidation will be carried out by one or more liquidators appointed in accordance with the Articles of Incorporation and with the Law of 17th December 2010, which specifies the manner in which the net proceeds of liquidation, after deduction of expenses, is to be distributed amongst the Shareholders.

Amounts that have not been distributed by the close of the liquidation procedure will be consigned to the "Caisse des Consignations" in Luxembourg for the duration of the limitation period in favour of the Shareholders entitled thereto.

Shares will cease to be issued, redeemed and converted as soon as the decision to dissolve the Company is taken.

2. CLOSURE AND MERGER OF SUB-FUNDS OR CLASSES

A. CLOSURE OF SUB-FUNDS OR CLASSES

If the assets of any one sub-fund or class fall below a level at which the Board of Directors considers that its management may not be easily ensured or in the event of changes taking place in the economic and/or political environment, the Board of Directors may decide to close this sub-fund or class. The Board of Directors may also decide to close sub-funds or classes within the framework of down-sizing the range of products offered to clients.

The Shareholders of the Company, and more particularly the Shareholders of the sub-fund or class concerned, will be informed of the decision and of the details of the procedure for closure by the publication of a notice in the newspapers, as mentioned in Section XI below. A notice relating to the closure of the sub-fund or class will also be sent to all of that sub-fund's registered Shareholders. The Shareholders will have the possibility to redeem their shares without other fees than those related to the closure.

Barring contrary decision on the part of the Board of Directors, the Company may, prior to the implementation of the liquidation, pursue its redemption of the shares of the relevant sub-fund or class to be liquidated. The Company shall, with regard to such redemption, carry out computation on the basis of the Net Asset Value to be determined so as to take into account of the costs of liquidation, but without any deduction of a redemption commission or any other deduction. Establishment expenses shall be wholly written off as of the decision to liquidate is reached.

The net assets of the sub-fund or class concerned will be divided amongst the remaining Shareholders of the sub-fund or class. Amounts which have not been distributed by the closure of the liquidation procedure of the sub-fund will be deposited in escrow at the "*Caisse des Consignations*" in Luxembourg for the limitation period in favour of the Shareholders entitled thereto.

The Annual Report relating to the financial year along which the decision to liquidate has been taken shall expressly state such decision and supply details regarding the implementation of liquidation operations.

B. MERGER OF SUB-FUNDS OR CLASSES

The Board of Directors may decide, in the interest of the Shareholders and in accordance with the Articles of Incorporation of the Company, to contribute one sub-fund or class to one or several other sub-fund(s), or class(es) of the Company. Such a decision will be published in the manner described below.

In any circumstances whatsoever, the contribution, to a particular sub-fund or class of shares of the Company, of the assets and liabilities of a particular sub-fund or class of shares of another Luxembourg UCI created pursuant to Part I of the Law of 17th December 2010, may be exclusively decided upon a proposal of the Board of Directors. Such decision will be proposed, decided and published in accordance with the Articles of Incorporation. The contribution shall be subject to a valuation report from an Auditor, similar to the one required by the 1915 Law as amended.

Furthermore, the Board of Directors may propose to the concerned Shareholders and in their interests, either to contribute one sub-fund or class or to transfer the assets and liabilities of a sub-fund or class to another UCI that was created according to Part I of the Law. Such a merger will be proposed and decided in accordance with the Articles of Incorporation.

Publication will be made at least one month before the day on which the merger will take effect to allow the Shareholders to request the redemption of their shares free of charge (excluding any local taxes).

In the case of a merger with another UCI of the contractual type (FCP), the merger will only bind the Shareholders of the sub-fund or class concerned, who have expressly approved the merger.

The Board of Directors may also decide to transfer the assets and liabilities of a sub-fund or class of shares to another foreign UCI or to a sub-fund or class of shares of such UCI. This would require approval of the shareholders of the relevant sub-fund/class or be made subject to the conditions that only the assets of the consenting shareholders be contributed to the foreign UCI.

In the event that the Board of Directors believe it is required for the interests of the Shareholders of the relevant sub-fund or that a change in the economic or political situation relating to the sub-fund concerned has occurred which would justify it, the reorganisation of one sub-fund, by means of a division into two or more sub-funds, may be decided by the Board of Directors. Such decision will be published in the same manner as described below.

Any of the aforesaid decisions of liquidation, amalgamation, merger or reorganisation may also be decided by a separate meeting of the Shareholders of relevant classes in the sub-fund concerned where no quorum is required and the decision is taken at the single majority of the shares voting at the meeting.

In all forms of merger, a notice relating to the various steps of the merger of these sub-funds or classes may be sent to all the registered Shareholders of the sub-funds or classes concerned. This notice will be published in the "Mémorial", if such publication is required by the applicable law or by the Articles of Incorporation, as well as in 1 (one Luxembourg newspaper with adequate distribution and, as the case may be, in the newspapers of the countries in which the shares are marketed, as determined by the Board of Directors.

The Company's Auditors will produce a report on the merger.

These mergers may be justified by various economic circumstances.

Any amounts remaining as a result of mergers of sub-funds or classes will be treated in the same manner as for subscriptions or conversions.

X. DATA PROTECTION

The Company collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription ("Personal Data"). Personal Data will be used by the Company for maintaining the register of Shareholders, processing Shareholder transactions and dividends, and complying with its legal and regulatory obligations. The Company will delegate the processing of Personal Data to various entities located either in the European Union or in countries outside the European Union including the Management Company, the Administrative Agent, the Sub-Registrar Agent and the Distributor, and undertakes not to transfer the Personal Data to any other third parties, unless required by law or upon Shareholder consent. Communication of Personal Data in countries outside the European Union implies the transfer of data to a country that may not provide legal protection of Personal Data equivalent to that of Luxembourg. The Shareholder has a right to access and correct its Personal Data, in case of error, upon request. The Company will maintain Personal Data for such periods as may be required by law.

The data processing is more fully detailed in any initial relationship document executed by the Shareholders (e.g. the application form).

XI. INFORMATION - DOCUMENTS AVAILABLE TO THE PUBLIC

1. INFORMATION FOR SHAREHOLDERS

a) Net Asset Value

The Net Asset Values of the shares of each sub-fund will be available on each Bank Business Day at the registered office of the Company, and of the Sub-Administrative Agent. The Board of Directors may subsequently decide to publish these net values in newspapers of the countries in which the shares of the Company are offered or sold.

b) Issue and redemption prices

The issue and redemption prices of the shares of each sub-fund of the Company are made public on each Valuation Day at the offices of the Sub-Administrative Agent / Paying Agent.

c) Notices to Shareholders

Notice to Shareholders shall be made available at the registered office of the Company, free of charge. Furthermore, they may be published in Luxembourg and published in the countries where the Company is marketed, and in the Mémorial, in Luxembourg, if such publications are required by the applicable law or by the Articles of Incorporation.

Notice to registered Shareholders shall be sent by post mail only if such mailing is provided for by the 1915 Law as amended or the Articles of Incorporation. Notwithstanding the foregoing, if the Shareholders concerned by the notification are all of the registered form, the Board of Directors may decide, at its discretion, to inform those Shareholders solely by post mail.

2. DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of the Articles of Incorporation, of the latest annual and semi-annual reports of the Company and of the material contracts referred to above are available for inspection at the registered office of the Company and of the Management Company where a copy may be obtained free of charge.

Subscription forms may be obtained upon request at the registered office of the Sub-Registrar Agent.

XII. SPECIAL CONSIDERATION ON RISKS

With regard to each sub-fund, future investors are recommended to consult their professional advisors to evaluate the suitability of an investment in a specific sub-fund, in view of their personal financial situation.

The number and allocation of portfolio assets in each sub-fund should reduce the sub-fund's sensitivity to risks associated with a particular investment. Nevertheless, potential investors should be aware of the fact that there can be no assurance that their initial investment will be preserved.

Past performance is not indicative of future results. Each sub-fund is subject to the risk of common stock investment. The price of the shares and the income from them may fall as well as rise. There can be no assurance that each sub-fund will achieve its objectives. There is no guarantee that investors will recover the total amount initially invested.

In addition, future investors should give careful consideration to the following risks linked to an investment in certain sub-funds:

Acceptable markets

Some markets, on which securities are listed, may not qualify as acceptable markets under Article 41(1) of the Law. Investments in securities on these markets will be considered as investments in unlisted Transferable Securities. Accordingly, the total amount of net assets in a sub-fund invested in these securities and unlisted securities will be limited to 10%.

Risk of limited trading volume

Trading volumes of emerging country stock exchanges can be considerably lower than in leading world exchanges. The resulting lack of liquidity may adversely affect the price at which the securities held by a sub-fund can be sold.

Accounting and statutory standards

It may occur in some countries, where a sub-fund may potentially invest, that standards of accountancy, auditing and reporting are less strict than the standards applicable in more developed countries and that investment decisions have to be taken based on information less complete and accurate than that available in more developed countries.

Currency risks

Certain sub-funds, investing in securities denominated in currencies other than their reference currency, may be subject to fluctuations in exchange rates resulting in a reduction in the sub-fund's Net Asset Value. Changes in the exchange rate between the base currency of the sub-fund and the currency of its underlying assets may lead to a depreciation of the value of the sub-fund's assets as expressed in the sub-fund's base currency. The sub-fund may attempt to mitigate this loss by the use of hedging but only on the terms approved of in the Prospectus.

Investment in small and medium-capitalised companies (small and medium cap)

Investment in small and medium-sized companies can involve more risks than those normally associated with investment in larger and better established companies. Smaller companies, in particular, often have limits as regards product range, markets or financial resources, and there may be only one or two key manager(s).

Investing in Equity Securities

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

Investments in Debt Securities

Among the principal risks of investing in debt securities are the following:

- interest rate risk (the risk that the value of the relevant sub-fund's investments will fall, if interest rates rise); interest rate risk generally is greater for sub-funds that invest in fixed income securities with relatively long maturities than for sub-funds that invest in fixed income securities with shorter maturities;
- credit risk (the risk that companies in which the relevant sub-fund invests, or with which it does business, will fail financially, and be unwilling or unable to meet their obligations to the sub-fund).

Foreign Investment Risks

Government regulations and restrictions in certain countries, including countries in Asia and the Pacific region, Africa, Eastern Europe and Latin America, may limit the amount and types of securities that may be purchased by a sub-fund or the sale of such securities once purchased. Such restrictions may also affect the market price, liquidity and rights of securities that may be purchased by a sub-fund, and may increase sub-fund expenses. In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation may affect certain aspects of the operation of a sub-fund. In particular, a sub-fund's ability to invest in the securities markets of several of the Asian countries and other emerging countries is restricted or controlled to varying degrees by laws restricting foreign investment and these restrictions may, in certain circumstances, prohibit a sub-fund from making direct investments.

Warrants

Investment in warrants on Transferable Securities can lead to increased portfolio volatility. Thus, the nature of the warrants will involve Shareholders in a greater degree of risk than is the case with conventional securities.

Value Investing

Investing in "value" stocks presents the risk that value stocks may fall out of favour with investors and underperform growth stocks during given periods.

Investments in Specific Sectors

Certain sub-funds will concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investments in such sectors. More specifically, investments in specific sectors of the economy such as health care, consumer staples and services or telecommunications etc... may lead to adverse consequences when such sectors become less valued.

Use of derivatives and other Investment Techniques

Certain sub-funds of the Company may also invest in financial derivative instruments, as more fully described in the investment policy of the relevant sub-funds, which may entail additional risks for Shareholders.

The Company will use commitments methodologies in order to calculate the global risk exposure of each relevant sub-fund and to ensure that such global risk exposure relates to financial derivative instruments does not exceed the total Net Asset Value of such sub-funds.

APPENDIX I

INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each sub-fund, the benchmark, the reference currency and the Company's management strategy.

Except to the extent that more restrictive rules are provided for in connection with a specific sub-fund under Appendix III, the investment policy shall comply with the rules and restrictions laid down hereafter:

A. The Company may invest in one or more of the following:

- (1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
- (2) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union ("EU"), which is regulated, operates regularly and is recognised and open to the public;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the EU or dealt in on another market in a non-Member State of the EU, which is regulated, operates regularly and is recognised and open to the public;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another Regulated Market as described under (1)-(3) above;
 - such admission is secured within one year of the issue;
- (5) units of UCITS and/or other UCIs within the meaning of Article 1(2) points a) and b) of Directive 2009/65/EC, whether situated in a Member State of the EU or in a non-Member State of the EU, provided that:
 - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority (the "CSSF") to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection guaranteed to unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and, in particular, that the rules on assets segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments comply with the requirement of Directive 2009/65/EC;
 - the business of the other UCIs is reported in half-yearly and annual report to enable an assessment of the assets and liabilities, income and operation over the reporting period;
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can be, according to their management regulations or instruments of incorporation, invested in aggregate in units of other UCITS or other UCIs;
- (6) deposits with credit institutions, which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 (twelve) months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non-Member State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (7) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in points (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivative"), provided that:

- (i) - the underlying assets consist of instruments covered by Article 41, paragraph (1) of the Law, financial indices interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with its investment objectives as stated in the Company management regulations or instruments of incorporation;
 - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can, at the Company's initiative, be sold, liquidated or closed at fair value at any time by means of an offsetting transaction;
- (8) Money Market Instruments other than those dealt in on a Regulated Market and which fall under Article 1 of the Law if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and saving, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State of the EU, the European Central Bank, the EU or the European Investment Bank, a non-Member State of the EU or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking, any securities of which are dealt in, on Regulated Markets referred to in (1), (2) or (3) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment, which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules, equivalent to those laid down in the first, the second or the third indents and provided that the issuer is a company whose capital and reserves amount to at least EUR 10.000.000.- (ten million Euro) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed company(ies), is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles, which benefit from a banking liquidity line.

B. Moreover, in each sub-fund the Company may:

- (1) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under Section A;
- (2) hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders;
- (3) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Commitments in connection with options and the purchase and sale of futures are not taken into consideration when calculating the investment limit;
- (4) acquire foreign currency by means of a back-to-back loan.

C. In addition, the Company shall comply in respect of the net assets of each sub-fund with the following investment restrictions per issuer:

(a) Risk Diversification Rules

For the purpose of calculating the restrictions described in (1) to (5) and (8) hereunder, companies, which are included in the same Group of Companies, are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds, where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in

connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules.

▪ **Transferable Securities and Money Market Instruments**

- (1) No sub-fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
 - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers, in which it invests more than 5% of its net assets, would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- (2) The limit of 10% stipulated in point (1)(i) is raised to 20% if the Transferable Securities and Money Market Instruments are issued by companies belonging to the same group, that are not required to consolidate their financial statements, pursuant to Council Directive 83/349/EEC of 13th June 1983, with regard to consolidated accounts or pursuant to accepted international accounting rules.
- (3) The limit of 10% stipulated in point (1)(i) is raised up to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% for certain debt securities where they are issued by a credit institution, which has its registered office in an EU Member State, and which, under applicable law, is submitted to specific public control, in order to protect the holders of such debt securities. In particular, sums deriving from the issue of those debt securities must be invested in accordance with applicable law in assets which, during the whole period of validity of the debt security, are capable of covering claims attaching to the debt securities and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interests. To the extent that a relevant sub-fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such sub-fund.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) Notwithstanding the ceilings set forth above, each sub-fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, by its local authorities, by any other Member State of the Organisation for Economic Cooperation and Development ("OECD") such as the U.S. or by international public organisations of which several EU Member States are members, provided that (i) such securities are part of at least 6 (six) different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such sub-fund.
- (7) Without prejudice to the limits set forth hereunder under Section (b), the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body, when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF and based, among others, on the following basis:
 - the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

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

▪ **Bank deposits**

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

▪ **Derivatives**

- (9) The counterparty risk connected with OTC derivatives transactions may not exceed 10% of the net assets of a sub-fund, when the counterparty is one of the credit institutions referred to under Section A (6) above or 5% of its net assets in all other cases.
- (10) Each sub-fund may invest, as a part of its investment policy and within the limits laid down in Article 43 (5) of the Law in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Article 43 of the Law. When a sub-fund invests in index-based financial derivative instruments, those investments are not required to be combined for the purposes of the limits laid down in Article 43 of the Law.
- (11) When a Transferable Security or a Money Market Instrument embeds a derivative financial instrument, this derivative must be taken into account for the purpose of applying the provisions set out in Article 42 of the Law.

▪ **Units of Open-Ended Funds**

- (12) The Company may not invest more than 20% of the net assets of each sub-fund in units of any one UCITS or other UCIs as defined in Section A, point (5).

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the sub-fund.

When a sub-fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Article 43 of the Law.

When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company, with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Company's investment in the units of such other UCITS and/or UCIs.

Any sub-fund, that invests a substantial proportion of its assets in other UCITS and/or other UCIs, shall disclose the maximum level of the management fees that may be charged both to the sub-fund itself and to the UCITS, and/or other UCIs in which it intends to invest. In the annual report, it shall be indicated the maximum proportion of management fees charged both to each such sub-fund and to the UCITS and/or other UCIs, in which they invest.

▪ **Combined limits**

- (13) Notwithstanding the individual limits laid down in Article 43 of the Law, a sub-fund may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
- investments in Transferable Securities or Money Market Instruments issued by the same entity and/or,
 - deposits made with the same entity, and/or,
 - exposure arising from OTC derivatives transactions undertaken with that body,
- (14) The limits set out under Section C, points (1), (3), (4), (8), (9) and (13) above may not be combined, and thus the aggregate investments of each sub-fund in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made

with this body carried out in accordance with points (1), (3), (4), (8), (9) and (13) under Section C above may not exceed a total of 35% of the assets of the of said sub-fund.

(b) Limitations on Control

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

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any other State, which is not an EU Member State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more EU Member State(s) is (are) member(s);
- shares in the capital of a company, which is incorporated under or organised pursuant to the laws of a State, which is not an EU Member State, provided that (i) such company invests its assets mainly in securities issued by issuers of that State, (ii) pursuant to the laws of that State, a participation by the relevant sub-fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under Section C, points (1) to (5), (8), (9) and (12) to (16) and Section D, point (2);
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of Shareholders.

D. In addition, the Company shall comply in respect of its net assets with the following investment restrictions per instrument:

Each sub-fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

E. Finally, the Company shall comply in respect of the assets of each sub-fund with the following investment restrictions:

- (1) No sub-fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities, as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- (2) No sub-fund may invest in real estate, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (3) No sub-fund may use its assets to underwrite any securities.
- (4) No sub-fund may issue warrants or other rights to subscribe for shares in such sub-fund.
- (5) A sub-fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each sub-fund from investing in non-fully paid-up Transferable Securities and Money Market Instruments or other financial instruments, as mentioned under Section A, points (5), (7) and (8).
- (6) The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial Instruments as listed under Section A, points (5), (7) and (8).
- (7) No sub-fund may invest in private equity securities.

F. Notwithstanding anything to the contrary herein contained:

- (1) The ceilings set forth above may be disregarded by each sub-fund, when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such sub-fund's portfolio.
- (2) If such ceilings are exceeded for reasons beyond the control of a sub-fund or as a result of the exercise of subscription rights, such sub-fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries, where shares of the Company are offered or sold.

APPENDIX II

FINANCIAL TECHNIQUES AND INSTRUMENTS

Subject to the following conditions, the Company is authorised for each sub-fund to resort to techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, altogether within the meaning of Directive 2007/16/EU, on the condition that any recourse to such techniques and instruments be carried out for the purpose of hedging and/or efficient management of the portfolio.

A. Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets

(1) General

To optimise portfolio management and/or to protect its assets and liabilities, the Company may use techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets within the meaning of the Law for each sub-fund.

Furthermore, each sub-fund is notably authorised to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimise yield, i.e., for the purpose of sound portfolio management.

(2) Limitation

When transactions involve the use of derivatives, the Company must comply with the terms and limits stipulated above in Appendix I, Section A, point (7), Section C, points (9), (10), (11), (13) and (14) and Section D, point (1).

The use of transactions involving derivatives or other financial techniques and instruments may not cause the Company to stray from the investment objectives set out in the Prospectus.

(3) Risks - Notice

In order to optimise their portfolio yield, all sub-funds are authorised to use the derivatives techniques and instruments described in this Appendix and Appendix I (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said Appendices.

The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using these techniques for other purposes than hedging. If the managers and sub-managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

In using derivatives, each sub-fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialised in this area, acting as counterparties. Although the corresponding markets are not necessarily considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

B. Securities Lending and Borrowing

The Company may enter into securities lending and borrowing transactions, provided that they comply with the following rules:

The Company may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first class financial institution specialising in this type of transaction.

The Company may enter into securities lending transactions in accordance with the provisions of CSSF Circulars 08/356, 11/512, and 14/592 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments.

C. Repurchase Agreement Transactions

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

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

- (i) The Company may not buy or sell securities using a repurchase agreement transaction unless the counterpart in such transactions is a first class financial institution specialised in this type of transaction, including a member bank of the U.S. Federal Reserve System
- (ii) During the life of a repurchase agreement contract, the Company cannot sell the securities, which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has borrowed similar securities in compliance with the provisions set forth here above in respect of securities borrowing transactions.
- (iii) As the Company is exposed to redemptions of its own shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

D. Conditions for use of efficient portfolio management techniques

1. When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement. When entering into a reverse repurchase agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.
2. When entering into a repurchase agreement, the Company should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
3. Collateral received by a Sub-Fund may be must comply at all times with the following principles:
 - a. Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can

be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the acquisition limits set out in section 16, point C (a) of the Appendix I above.

- b. Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- c. Issuer credit quality – collateral received should be of high quality.
- d. Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e. Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or Efficient Portfolio Management Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer
- f. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- g. Where there is a title transfer, the collateral received should be held by the depositary of the Company. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h. Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.

4. The Sub-Funds will only accept the following assets as collateral:

- a. Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2009/65/EC. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
- b. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- c. Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- d. Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items e and f below.
- e. Bonds issued or guaranteed by first class issuers offering an adequate liquidity.

- f. Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
5. Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.
6. Cash collateral received by a Sub-Fund can only be:
 - a. placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
 - b. invested in high-quality government bonds;
 - c. used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
 - d. invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.
7. A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.
8. Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians.
9. Where collateral is taken in the nature of equity securities, the market value of the equity collateral should represent at least 105% of the related gross counterparty exposure.
Where collateral is taken in the natures of bonds issued or guaranteed by a Member State of the OECD or their local authorities; Supranational bonds ; or corporate bonds issued or guaranteed by issuers having a minimum short-term credit rating of BBB, the market value of the collateral should represent at least 102% of the related gross counterparty exposure.
No haircut will generally be applied to cash collateral.
10. Collateral received for securities lending transactions must be at least equal to 100% of the global valuation of the securities lent. Collateral obtained in respect of OTC derivative transactions and efficient portfolio management techniques (EPM) must be at least 100% of the value of the relevant financial derivative.
11. The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
12. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs from the securities lending agent, and from the Management Company, will be

returned to the Company. The Company's annual report will disclose the identity of the counterparty(ies) to these efficient portfolio management techniques.

13. At the date of this prospectus the Company has not entered into securities lending transactions.
14. If the Company would enter into such transactions the Prospectus will be updated accordingly.

APPENDIX III THE SUB-FUNDS

The Company's primary objective is to offer its Shareholders the possibility of participating in the professional management of portfolios of Transferable Securities, Money Market Instruments or other eligible assets, as defined by Article 41 of the Law of 17th December 2010 and within the limits set forth by the relevant articles of such law and as defined in the investment policy of each sub-fund of the Company.

A. GENERAL PROVISIONS APPLICABLE TO EACH SUB-FUND'S INVESTMENT POLICY

Each sub-fund's investment policy, as it appears in this Appendix, has been defined by the Board of Directors.

In each sub-fund, the aim is to maximise the value of the invested assets. The Company takes such risks as it considers reasonable, in order to achieve the established targets. However, given market fluctuations and other risks to which investments in Transferable Securities, Money Market Instruments or other eligible assets are subject, there can be no guarantee that this objective shall be achieved.

In case a sub-fund's investment policy establishes a "main investments" in a particular category of eligible assets, as defined under Appendix I Section A, such sub-fund must invest more than 50% of its assets in the asset class concerned.

The remaining assets (hereafter the "Remaining Assets") may be invested, to the full extent and within the limits permitted by the Law, in all eligible assets, as defined under Appendix I Sections A and B of the present Prospectus.

For purposes other than hedging, the total net exposure of financial derivative instruments may not exceed 20% of the total net assets of each sub-fund unless its investment policy clearly stipulates that the derivatives may be used as "core investment", i.e. the total net exposure may represent up to 100% of the total net assets of the concerned sub-fund.

Each sub-fund may invest in units of UCITS or other UCIs within a limit of maximum 10% of its net assets, always in accordance with Appendix I Section C, unless its investment policy clearly stipulates the contrary.

Investments in warrants for eligible assets may be made within the limits provided for in Appendix I. Potential investors must be aware that investment in warrants for eligible assets can lead to increased portfolio volatility.

Each sub-fund may use all the financial techniques and instruments permitted within Appendix II, unless the sub-fund and/or class clearly stipulate the contrary on particular financial techniques and instruments.

B. INVESTMENT POLICIES OF THE SUB-FUNDS

The different sub-funds' investments shall be made according to the restrictions imposed by the Law and by this Prospectus.

The Company needs not comply with the limits set out in Appendix I, when exercising subscription rights attached to Transferable Securities, Money Market Instruments or other eligible assets that form part of its assets.

If the limits referred to above are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its future sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

C. LIST OF SUB-FUNDS

There are currently the following sub-funds available:

Sub-funds	Classes	Launch Dates	Initial Issue Prices	Reference Currencies	Valuation Days	Investment Management Fees *	Minimum Initial Subscription Amount	Performance Fees **
RAIDHO SICAV –Q-TREND	Capitalisation retail EUR A	07/2009	EUR 100	EUR	Daily	1.95% of the total net assets per annum.	Class A: EUR 1,000	Highwatermark
	Capitalisation Retail EUR B	07/2009	EUR 100	EUR	Daily	1.35% of the total net assets per annum	EUR 10,000	Highwatermark
	Capitalisation Institutional EUR C	This class will be launched at a later stage	EUR 100	EUR	Daily	1.20% of the total net assets per annum	EUR 100,000	Highwatermark
RAIDHO SICAV – INTERNATIONAL BOND SELECTION	Capitalisation Retail EUR A	1 February 2013 to 15 February 2013	EUR 100	EUR	Daily	1.25% of the total net assets per annum.	EUR 1,000	Highwatermark
	Capitalisation Retail EUR B	1 February 2013 to 15 February 2013	EUR 100	EUR	Daily	0.75% of the total net assets per annum	EUR 5,000	Highwatermark

* The Investment Management Fees are expressed in annual rate but are calculated on the basis of the average net assets for the past month and payable at the end of each month.

** The Performance Fee calculation and examples are detailed for each sub-fund in the relevant sub-funds data sheets under Appendix III.

“Retail Class”: is the class of shares offered to individuals and corporate entities.

“Institutional Class”: is the class of shares restricted solely to institutional investors (within the meaning of the Law) subscribing on their own behalf or on behalf of individuals within the framework of a discretionary management mandate or any comparable scheme.

“Capitalisation Shares”: the holders of Capitalisation Shares will not be entitled to receive dividend unless otherwise decided by the Board of Directors.

“Distribution Shares”: the holders of Distribution Shares will be entitled to receive dividend.

1. RAIDHO SICAV – Q-TREND

INVESTMENT STRATEGIES AND POLICY

The Sub-Fund will mainly invest in undertakings for collective investment in transferable securities ("UCITS") and/or other undertakings for collective investment ("UCIs") in accordance with Section A, paragraph (5) of the Investment Restrictions of first class/ quality issuers. The target UCITS/UCIs that are linked to the Company within the framework of common management or control or by a significant direct or indirect holding or are managed by a management company linked to the manager, shall at no time charge to the Company any subscription or redemption fees. The Company, the Investment Manager or the Management Company may not receive any commission for issue or redemption and may only receive a maximum management commission of 2% (two percent) if they acquire target funds that are directly or indirectly managed by themselves, or managed by a company to which they are linked under common management, under common control, or by a direct or indirect holding of more than 10% of the capital or votes.

The Sub-Fund invests primarily in a diversified mix of Transferable Securities related funds and/or other eligible assets (Money Market Instruments, deposits, financial derivative instruments) related funds. Therefore the sub-fund is an asset allocation fund that allocates its investments between several asset classes of funds: Transferable Securities, Money Market Instruments, deposit and derivatives oriented funds denominated in several currencies.

The sub-fund will mainly be invested through a platform (such as Morningstar). Such platform allows a detailed analysis of the quantitative characteristics of the sub-fund while the operative approach is based on a software that analyses and elaborates some sub-fund's financial parameters (such as the moving average, Sharpe index, Sortino index, standard deviation), and so will be able to provide buy and sell signals regarding the sub-fund's own investment policy.

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% (ten percent) of its net assets in Hedge Funds, regulated and subject to a supervision considered by the CSSF to be equivalent to that laid down in Community law, as per article 41 (2) of the Law of 17 December 2010 on undertakings for collective investments.

The sub-fund can use derivative instruments of the type referred to under Appendix I Section A above, as a core investment to its policy, such as options, futures, forward etc...in accordance with the limits set forth and as described under Appendix I Section C of the Prospectus. The purpose is to use liquid exchange traded derivatives on the major world equity indexes (such as SP500, DAX, Eurostoxx etc) and on volatility indexes (such as future on VIX and on VStoxx etc).

The derivative instruments above mentioned will be used with a tactical approach with the aim of avoiding market timing situations, investing in UCITS and/or UCIs and to be much more efficient in increasing and/or decreasing the exposure on equity markets.

The risk management is able to cover the risks deriving by this kind of instruments as the Management Company of the Company performs their activities for other undertakings for collective investment which already use these instruments.

The Remaining Assets may be invested, to the full extent and within the limits permitted by the Law, in all eligible assets as defined in Appendix I Section A and B.

The sub-fund may, on an ancillary basis, hold cash and cash equivalents and, under exceptional circumstances, the sub-fund may also be invested up to 100% in cash and cash equivalents.

Within the limits set forth and as described under Appendix II of the Prospectus, the sub-fund is authorized to use such financial techniques and instruments i.e for the purpose of hedging and/or efficient management of the portfolio.

RISK PROFILE: The risks pertaining to an investment in the sub-fund are those related to the underlying funds, in particular interest rates, credit and equity. The sub-fund may have additional risks related to currency and derivatives. More particularly, financial derivative markets are volatile and the possibility to realise gains as well as the risk to suffer losses is higher than direct investments in the underlying securities.

PROFILE OF THE TYPICAL INVESTOR: The sub-fund is suitable for investors who want a core balanced holding, which is well diversified by asset class, investment style, geography and market capitalisation, for investors who can accept medium level of risk and who plan to maintain their investment over the medium term.

DISCLAIMER: Past performance is not indicative of future results. The sub-fund is subject to the risk of financial markets. The price of the shares and the income from them may fall as well as rise. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the sub-fund will achieve its objectives.

RISK MANAGEMENT: the sub-fund will use the commitment approach to monitor its global exposure

AVAILABLE CLASSES OF SHARES

Capitalisation Retail EUR A
Capitalisation Retail EUR B
Capitalisation Institutional EUR C

For the Class Capitalisation Institutional EUR C, the Directors have decided to launch it at a later date when they deem it appropriate.

Initial Issue Price:

Class Capitalisation Institutional EUR C: EUR 100

Minimum Initial Subscription Amount:

Class Capitalisation Retail EUR A: EUR 1,000

Class Capitalisation Retail EUR B: EUR 10,000

Class Capitalisation Institutional EUR C: EUR 100,000

Minimum Further Subscription

Class Capitalisation Retail EUR A: EUR 500

Class Capitalisation Retail EUR B: EUR 5,000

Class Capitalisation Institutional EUR C: EUR 50,000

Valuation Day:

Daily

FEES BORNE BY THE SHAREHOLDERS:

SUBSCRIPTION FEE: Class Capitalisation Retail EUR A : Max 5% of the applicable Net Asset Value.
Class Capitalisation Retail EUR B : Max 5% of the applicable Net Asset Value
Class Capitalisation Institutional EUR C : None

REDEMPTION FEE: None.

CONVERSION FEE: None.

FEES CLAIMED BY LOCAL INTERMEDIARIES: In connection with the purchase and/or sales of the shares in the local markets, local intermediaries may charge additional costs.

FEES BORNE BY THE COMPANY:

INVESTMENT MANAGEMENT FEE: Class Capitalisation Retail EUR A : 1.95 % of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class Capitalisation Retail EUR B: 1.35% of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class Capitalisation Institutional EUR C: 1.20 % of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

SHAREHOLDER SERVICING FEE: Max 0.80% per annum, calculated on the basis of the average net assets for the past month, payable at the end of each month.

PERFORMANCE FEE: For Class Capitalisation Retail EUR A, Class Capitalisation Retail EUR B and Class Capitalisation Institutional EUR C the performance fee amounts to **15%** of the positive difference between the percentage change in the Net Asset Value per share of the relevant class of shares and the last highwatermark.

The performance fee will be paid after the end of each quarter; and accrued at each net asset value calculation.

The “high watermark” (**HWM**) principle is a mechanism that ensures that the fee can only be charged if the cumulative difference since the sub-fund’s launch date, calculated by the aforementioned method, has reached a new high.

The performance fee is based on the following formula:

$$\begin{aligned} & \text{Net Asset Value per share of the sub-fund at the end of the quarter} \\ & + [-\text{Net subscriptions (i.e. subscriptions} - \text{HWM of previous NAV date} \times \text{number of redeemed shares)} - \text{HWM of the} \\ & \text{NAV date} \times \text{outstanding shares of the previous NAV date} \\ & + \text{Dividends paid (if any)}] / \text{outstanding shares of the NAV date} \\ & = \textbf{Net Increase per share as a result of operations} \end{aligned}$$

For the first performance fee calculation, the Net Asset Value of the sub-fund at the beginning of the quarter will be equal to zero and the net subscriptions will include the amount of the initial subscription.

2. RAIDHO SICAV – INTERNATIONAL BOND SELECTION

INVESTMENT STRATEGIES AND POLICY

The objective of the Sub-Fund is to achieve long term capital growth, with a moderate risk and to preserve capital value.

The Sub-Fund mainly invests in transferable debt securities, denominated in all currencies, without limitation in duration and rated, at least, “investment grade” as by Moody’s or Standard&Poors (minimum Baa3/BBB-).

The Sub-Fund will invest in non “investment grade” debt securities and non-rated debt securities up to 49% of its net assets.

The Sub-Fund may invest in units of UCITS and/or other UCIs up to 20% (twenty percent) of its net assets.

The Sub-fund may use financial derivative instruments of the type referred to under Appendix I Section A above, as a core investment to its policy, such as options, futures, forward etc... in accordance with the limits set forth and as described under Appendix I Section C of the Prospectus. The use of OTC instruments is limited to forward exchanges.

The remaining assets may be invested, to the full extent and within the limits permitted by the Law, in all eligible assets as defined in Appendix I Section A and B.

The Sub-Fund may, on an ancillary basis, hold cash and cash equivalents.

RISK PROFILE:

- The risk pertaining to an investment in the Sub-Fund are those related to interest rate and credit.
- The Sub-Fund may have additional risks related to currency exposure.

The attention of the Shareholders is also drawn on the relatively high risk of investing in high yield debt securities; these securities pay higher yields than better quality bonds but have a higher risk of default or other adverse credit events. The Sub-Fund can therefore suffer losses which reduce its Net Asset Value per share.

There is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

PROFILE OF THE TYPICAL INVESTOR:

- Investors who want to participate in the opportunities offered by the bond markets with a level of risk typical of a bond portfolio
- Investors who plan to maintain their investment over the medium-long term.

DISCLAIMER: There can neither be guarantee against losses resulting from an investment in this Sub-Fund, nor could there be any assurance that the Sub-Fund’s investment objectives will be reached in respect of its overall performance. Shareholders should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

RISK MANAGEMENT: the sub-fund will use the commitment approach to monitor its global exposure

AVAILABLE CLASSES OF SHARES

Capitalisation Retail EUR A
Capitalisation Retail EUR B

INITIAL SUBSCRIPTION PERIOD MINIMUM INITIAL SUBSCRIPTION AMOUNT, INITIAL ISSUE PRICE AND VALUATION DAY:

Initial subscription period

Capitalisation Retail EUR A: from 1 February 2013 to 15 February 2013.

In case no subscription request has been received by such time, the sub-fund will be launched at a later stage at the discretion of the Board of Directors.

Capitalisation Retail EUR B: from 1 February 2013 to 15 February 2013

In case no subscription request has been received by such time, the sub-fund will be launched at a later stage at the discretion of the Board of Directors.

Minimum Initial Subscription Amount:
Class Capitalisation Retail EUR A: EUR 1,000
Class Capitalisation Retail EUR B: EUR 5,000

Initial Issue Price:
Class Capitalisation Retail EUR A: EUR 100
Class Capitalisation Retail EUR B: EUR 100

Minimum Further Subscription
Class Capitalisation Retail EUR A: EUR 1,000
Class Capitalisation Retail EUR B: EUR 2,500

Valuation Day:
Daily

FEES BORNE BY THE SHAREHOLDERS:

SUBSCRIPTION FEE: Class Capitalisation Retail EUR A: Max 5% of the applicable Net Asset Value.

Class Capitalisation Retail EUR B: Max 5% of the applicable Net Asset Value.

REDEMPTION FEE: None.

CONVERSION FEE: None.

FEES CLAIMED BY LOCAL INTERMEDIARIES: In connection with the purchase and/or sale of the shares in the local markets, local intermediaries may charge additional costs.

FEES BORNE BY THE COMPANY:

INVESTMENT MANAGEMENT FEE: Class Capitalisation Retail EUR A: 1.25 % of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

Class Capitalisation Retail EUR B: 0.75 % of the total net assets per annum payable monthly and calculated on the average total net assets for the relevant month.

SHAREHOLDER SERVICING FEE: Max 0.80% per annum, calculated on the basis of the average net assets for the past month, payable at the end of each month.

PERFORMANCE FEE: 5% of the net increase as a result of operations of each quarter.

The performance fee is based on the following formula:

Net Asset Value per share of the sub-fund at the end of the quarter
+ [-Net subscriptions (i.e. subscriptions – HWM of previous NAV date x number of redeemed shares) – HWM of the NAV date x outstanding shares of the previous NAV date
+ Dividends paid (if any)]/outstanding shares of the NAV date
= **Net Increase per share as a result of operations**

The performance fee will be paid after the end of each quarter; however a provision for the accrued additional commission, if any, is made at each calculation of the Net Asset Value of the sub-fund.

A negative balance in any given quarter is to be carried forward and no additional commission will be due until all negative balances carried forward have been covered (**highwatermark**).

For the first performance fee calculation, the Net Asset Value of the sub-fund at the beginning of the quarter will be equal to zero and the net subscriptions will include the amount of the initial subscription.