

VISA 2021/163559-3445-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2021-03-08

Commission de Surveillance du Secteur Financier

*h3h*

## PROSPECTUS

relating to shares in

# VECTOR



a Luxembourg société d'investissement à capital variable  
Compliant with the Directive 2009/65/EC of the European Parliament and  
of the Council of 13 July 2009 (UCITS)

**MARCH 2021**

**VECTOR**

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**BOARD OF DIRECTORS**

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## GLOSSARY

**Administrative Agent, Registrar and Transfer Agent, Domiciliary Agent and Corporate and Listing Agent or RBC:** RBC Investor Services Bank S.A. or any entity appointed as its successor.

**Articles:** the articles of incorporation of the Company, as amended from time to time.

**Board:** the board of directors of the Company, as appointed from time to time.

**Business Day:** any day on which banks in Luxembourg are open for business (other than 24 December and Good Friday).

**Class or Classes:** one or more separate classes of shares of a Sub-Fund.

**Company:** Vector.

**CSSF:** the *Commission de Surveillance du Secteur Financier*.

**Depository Bank and Paying Agent:** RBC Investor Services Bank S.A. or any other entity appointed as depository bank.

**Directive:** the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by the Directive 2014/91/EU of 23 July 2014 ("**UCITS V Directive**").

**ESMA:** The European Securities Markets Authority (formerly the Committee of European Securities Regulators).

**Eligible State:** any EU Member State, any member State of the OECD, and any other State which the Board deems appropriate with regard to the investment objectives of each Sub-Fund. Eligible States include in this category countries in Africa, the Americas, Asia, Australasia and Europe.

**FATCA:** The Foreign Account Tax Compliance Act, which became law in the US in 2010, requires financial institutions outside the US to pass information about financial accounts held by certain US persons, directly or indirectly, to the US tax authorities.

**FATCA Law:** The Luxembourg Law of 24 July 2015 relating to FACTA.

**EU Member State:** a member State of the European Union or of the European Economic Area.

**Key Investor Information Document (the "KIID"):** the key investor information document of each Class of the Company.

**Law:** the Law of 17 December 2010 on undertakings for collective investment, as amended.

**Law of 1915:** the Law of 10 August 1915 on commercial companies, as amended.

**Management Company:** Vector Asset Management S.A. or any entity appointed as its successor.

**Mémorial:** the *Mémorial C, Recueil des Sociétés et Associations*, the Luxembourg gazette.

**Net Asset Value:** the net value of the assets attributable to the Company, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles and the Prospectus.

**OECD:** the Organisation for Economic Cooperation and Development.

**Prospectus:** the prospectus of the Company, as amended from time to time.

**Regulated Market:** a regulated market as defined in Directive 2014/65/EU of 15 May 2014 on financial instruments markets (Directive 2014/65/EU) or in any repealing directive or implementing regulation, i.e. a market on the list of regulated markets prepared by each EU Member State, that functions regularly characterised by the fact that the regulations issued or approved by the competent authorities set out the conditions of operation and access to the market, as well as the conditions that a given financial instrument must meet in order to be traded on the market, in compliance with all information and transparency obligations prescribed in Directive 2014/65/EU or in any repealing directive or implementing regulation, as well as any other regulated and recognised market open to the public in an Eligible State that operates regularly.

**RESA:** *Recueil Electronique des Sociétés et Associations*.

**Same Body:** has the same meaning as in the Directive.

**Same Issuer:** has the same meaning as in the Directive.

**SFT Transactions:** Transactions covered by Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

**Sub-Fund:** refers to a sub-fund of the Company.

**UCI:** an undertaking for collective investment within the meaning of points a) and b) of Article 1 (2) of the Directive.

**UCITS:** an undertaking for collective investment authorised according to the Directive.

**UCITS Delegated Regulation:** the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.

**Valuation Day:** any Business Day on which the Net Asset Value per share of any Sub-Fund is determined unless otherwise specifically provided for a Sub-Fund or Class in Appendix I.

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This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful.

Prospective investors should consult their bank manager, stock broker, solicitor, accountant or other financial advisor as to the legal, administrative or tax consequences of them acquiring, holding, redeeming, converting, transferring shares under the laws of the countries of their respective citizenship, residence or domicile including any foreign exchange control regulations.

No person is authorised to give any information or to make any representation in connection with the issue of shares in Vector which is not contained or referred to herein.

**The Company draws the investors' 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.**

The claims of shareholders against the Board shall lapse five years after the date of the event which gave rise to the rights claimed.

The Company also draws the attention of investors to the fact that before any subscription of shares, investors should consult the KIIDs on Classes of shares available on the website [www.vector.lu](http://www.vector.lu). A paper copy of the KIIDs may also be obtained at the registered office of the Company, of the Management Company or of the distributors, free of charge.

#### **Data Protection**

Any information concerning shareholders who are natural persons and other related natural persons (together the "**Data Subjects**") which allows the Data Subjects to be directly or indirectly identified (the "**Data**"), which is provided to, or collected by or on behalf of, the Company and the Management Company (directly from Data Subjects or from publicly available sources) will be processed by the Company and the Management Company as joint data controllers (the "**Controllers**") in compliance with applicable data protection laws, in particular Regulation (EU) 2016/679 of 27 April 2016.

The Controllers can be contacted at [eric.grenouillet@vector.lu](mailto:eric.grenouillet@vector.lu).

Failure to provide certain Data may result in the shareholder not being able to invest or maintain an investment in the Company.

Data will be processed by the Controllers and disclosed to, and processed by, service providers of the Controllers such as the Depositary Bank and Domiciliary Agent, the Administrative Agent, Registrar And Transfer Agent and Paying Agent, the approved statutory auditor, the Investment Advisor, distributors, legal and financial advisers (the "**Processors**") for the purposes of (i) offering and managing investments and holdings of the shareholders and performing the services related to their shareholding in the Company (ii) enabling the Processors to perform their services for the Company, or (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations (the "**Purposes**").

The Processors shall act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes.

Any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors in compliance with all applicable legal or regulatory obligations and (ii) will be retained, in general, for a period of 10 years from the date of the recording. However, the storage periods of such communications may be shorter or longer, in compliance with the applicable laws and/or regulations, in particular in order to comply with applicable legal and/or regulatory obligations, to manage claims and/or litigations, to exercise or defend rights and/or to meet authorities' requests.

Data may be transferred outside of the European Union (the "EU"), to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data.

Shareholders providing the Data of third-party data subjects to the Controllers need to ensure that they have obtained the authority to provide that Data and are therefore required to inform the relevant third-party data subjects of the processing of the Data and their related rights. If necessary, shareholders are required to obtain the explicit consent of the relevant third-party data subject for such processing.

Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations. In general, the Data is stored for at least a period of ten (10) years after the end of the financial year to which it relates. However, the storage periods may be shorter or longer, in compliance with the applicable laws and/or regulations, in particular in order to comply with applicable legal and/or regulatory obligations, to manage claims and/or litigations, to exercise or defend rights and/or to meet authorities' requests.

The shareholders have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

Detailed information about how Data is processed is contained in the privacy notice available on [www.vector.lu/en/privacy-policy/](http://www.vector.lu/en/privacy-policy/) or on demand by contacting the Controllers at [eric.grenouillet@vector.lu](mailto:eric.grenouillet@vector.lu). The privacy notice notably sets out in more detail the data subjects' rights described above, the nature of the Data processed, the legal bases for processing, the recipients of the Data and the safeguards applicable for transfers of Data outside of the EU.

The shareholders' attention is drawn to the fact that the data protection information is subject to change at the sole discretion of the Controllers, and that they will be duly informed prior to the implementation of any change.

**Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")**

All Sub-Funds of the Company are managed taking environmental, social, and governance ("ESG") factors into account as the Management Company considers that ESG issues can influence investment risk and



return. Unless otherwise specified in a Sub-Fund's appendix, the Sub-Funds do not promote environmental or social characteristics or have specific sustainable investment objectives. This means that whilst ESG risks and factors are considered, they may or may not impact the portfolio construction and investment decisions.

The Management Company integrates material sustainability risks into its investment decision-making process in order to enhance its ability to manage risk more comprehensively and generate sustainable, long-term returns for investors.

Company level data is used to assess ESG risks for equity securities. E, S, G and controversy ratings are downloaded from Refinitiv (or potentially other ESG data vendors in the future) for each equity security in the considered investment universe. In the qualitative check of the equity security, the sustainability risk is assessed as a factor next to other factors.

ESG company data and ratings are not applied as rigid exclusion criteria. Rather, ESG risk factors - like other factors - are considered as part of the investment and risk management process in order to achieve good risk return characteristics. ESG scores for the entire portfolio are also monitored as part of the investment process with regard to their impact on the risk return profile of the investment portfolio.

For Sub-Funds investing in other funds, the ESG score of the target funds are downloaded and monitored and the sustainability risks are taken in account in the qualitative analysis of the target funds and the investment decisions regarding the target funds.

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

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

Sustainability risks may have an impact on the value of the Sub-Fund's investments in the medium or long term.

The Management Company is currently not in a position to consider principal adverse impacts of investment decisions on sustainability factors due to a lack of available and reliable data.

## DESCRIPTION OF THE COMPANY

### INCORPORATION

The Company is a limited liability company organised as a *société d'investissement à capital variable* incorporated in Luxembourg on 8 July 2002 for an unlimited duration. The Company is subject to the provisions of the Law of 1915 and of Part I of the Law and is compliant with the UCITS V Directive.

The Company qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive.

The Articles were published in the *Mémorial* on 30 July 2002. The last amendments to the Articles were published in the *Mémorial* on 18 February 2016. The consolidated Articles have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg, where they are available for inspection.

### SHARE CAPITAL

The share capital of the Company shall at any time be equal to the total net asset of the various Sub-Funds and is represented by shares of no par value and fully paid up. The minimum capital is Euro 1,250,000 (one million two hundred and fifty thousand).

### SUB-FUNDS

The Articles authorise the Board to issue shares at any time in different Sub-Funds. Proceeds from the issue of shares within each Sub-Fund may be invested in transferable securities and other eligible assets corresponding to a particular geographical area, industrial sector or monetary zone, and/or particular types of equity, equity-related or debt securities as the Board may from time to time determine.

The Sub-Funds in issue at the date of the present Prospectus and their specific features are fully described in Appendix I. Should the Board decide to create additional Sub-Funds or issue additional classes of shares, Appendix I of the present Prospectus will be updated accordingly.

### CLASSES OF SHARES

In order to meet the specific needs of shareholders, the Board may further decide to issue within each Sub-Fund two or more Classes of shares, the assets of which will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned, although a separate sales and redemption mechanism, fee structure, distribution policy, hedging policy and any other characteristic may be applicable to a particular Class of shares within each Sub-Fund.

A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class of shares.

The particular features of each Class of shares per Sub-Fund available are shown in Appendix I. Among these features, the Board may provide minimum investment and holding amounts for all or some of the

Classes of shares. The Board may, on a discretionary basis, decide not to apply any of these minimum requirements.

The Classes issued for each Sub-Fund are specified in the Appendix I.

The Classes may be restricted to certain investors as disclosed in Appendix I.

#### **REGISTERED OFFICE**

The Company has its registered office in the Grand Duchy of Luxembourg, 11-13 Boulevard de la Foire, L-1528 Luxembourg. It is under registration with the Register of Commerce and Companies of Luxembourg.

#### **LISTING**

Some classes of shares in the Company may be listed on the Luxembourg Stock Exchange, in which case this will be indicated in Appendix I.

### **INVESTMENT OBJECTIVE AND POLICY**

The Company provides the investors with an opportunity for investment in all types of transferable securities and/or in other liquid financial assets referred to in Article 41 of the Law through professionally managed Sub-Funds, which are distinguished mainly by their specific investment policy and objective, and, as the case may be, by the currency in which they are denominated or other specific features applicable to each of them.

The specific investment objective and policy of each Sub-Fund is described in Appendix I.

The investments of each Sub-Fund shall at any time comply with the restrictions set out under chapter "Investment Restrictions", and investors should, prior to any investment being made, take due account of the risks of investments set out under chapter "Risk Factors".

### **INVESTMENT RESTRICTIONS**

The Board has decided that the following restrictions shall apply to all investments made by Sub-Funds of the Company. These restrictions may be amended from time to time by the Board if and as it shall deem it to be in the best interest of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions in paragraph 1. (D) below are applicable to the Company as a whole.

#### **I. Investment in eligible assets**

(A) (1) The Company will exclusively invest in:

- a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market; and/or
- b) transferable securities and money market instruments dealt in on another market in an Eligible State; and/or
- c) 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 an official stock exchange or another Regulated Market and such admission is achieved within one year of the issue; and/or
- d) units of an UCITS and/or of another UCI, whether situated in an EU Member State or not, provided that:
  - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law; and/or
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (a) and (b) above, or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

- g) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community 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 Community 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 equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

- (B) (i) Each Sub-Fund may hold ancillary liquid assets.
- (ii) The Company will ensure that the global exposure relating to derivative instruments does not exceed the total net value of the Sub-Fund to which they apply.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The Company may invest, as part of the investment policy of its Sub-Funds and within the limits laid down in paragraph (C)(v), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph (C). When the Company, on behalf of any of its Sub-Funds, invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph (C).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this item (B).

- (C) (i) Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the Same Body.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the Same Body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A) (1) (e) above or 5% of its net assets in other cases.

- (ii) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (i), a Sub-Fund may not combine, where this would lead to investment of more than 20% of its net assets in a single body, any of the following:

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

- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be of a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities or by an Eligible State or by public international bodies of which one or more EU Member States are members.
- (iv) The limit of 10% laid down in paragraph (C) (i) above shall be of a maximum of 25% in respect of debt securities which are issued by credit institutions having their registered office in an EU Member State and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities. In particular, sums deriving from the issue of such debt securities must be invested in accordance with the law in assets which, during the whole period of validity of the debt securities, 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 interest.

If a Sub-Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-Fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the Same Body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C) (iv) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in paragraphs (C) (i), C (ii), C (iii), C (iv) and C (v) are raised to a maximum of 20% for investments in stock and/or debt securities issued by the Same Body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, provided

- 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 laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that the investment up to 35% is only permitted for a single issuer.

- (vii) **Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities or by a non-EU Member State acceptable to the CSSF (such as but not limited to a member State of the OECD, Brazil, Singapore, Russia, Indonesia or South Africa) or by public international bodies of which one or more EU Member States are members, the Company may invest 100% of the Net Asset Value of any Sub-Fund in such transferable securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.**

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

- (D) (i) The Company may not acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (ii) The Company may acquire no more than
- (a) 10% of the non-voting shares of the Same Issuer,
  - (b) 10% of the debt securities of the Same Issuer, and/or
  - (c) 10% of the money market instruments of the Same Issuer.

However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of instruments in issue cannot be calculated.

- (iii) The limits set out in paragraph (D)(i) and (ii) above shall not apply to:
- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members; or
  - (d) shares held in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State where, under the legislation of that State, such



holding represents the only way in which such Sub-Fund can invest in the securities of the issuing bodies of that State, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

- (E) (i) Unless otherwise provided in Appendix I for any specific Sub-Fund, each Sub-Fund may acquire the units of the UCITS and/or other UCIs referred to in paragraph (A) (d), provided that no more than 20% of a Sub-Fund's net assets are invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- (ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
- (iii) When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed directly or by delegation, by the 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 (i.e., more than 10% of the capital or voting rights), the Management Company or that other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.

In respect of a Sub-Fund's investments in UCITS or other UCIs as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management unless otherwise provided for a specific Sub-Fund in Appendix I. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- (iv) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
- (v) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.
- (vi) A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund") without the Company being subject to the requirements of the Law of 1915, with respect to the

subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
  - no more than 10% of the assets that the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in shares of other UCITS or other UCIs; and
  - the Investing Sub-Fund may not invest more than 20% of its net assets in shares of a single Target Sub-Fund; and
  - voting rights, if any, attaching to the shares of the Target Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
  - there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund, and this Target Sub-Fund.
- (vii) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.
- a. A Feeder UCITS shall invest at least 85% of its assets in the units or shares of another Master UCITS.
  - b. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
    - ancillary liquid assets in accordance with paragraph I.(B)(i);
    - financial derivative instruments, which may be used only for hedging purposes;

For the purposes of compliance with Article 42 par (3) of the Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under b) with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

## **II. Investment in other assets**

- (A) The Company will not make investments in precious metals or certificates representing these.
- (B) The Company may not enter into transactions involving commodities, commodity options, options on commodity futures or commodity futures, except that the Company may employ financial derivative instruments and other techniques and instruments relating to transferable securities and money market instruments as set out below.
- (C) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.(A) (1) d), f) and g).
- (E) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only on a temporary basis. However, the Company may acquire foreign currency by means of back-to-back loans.
- (F) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions, the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Company will not underwrite or sub-underwrite securities of other issuers.

## **III. Risk-management process**

The Management Company will use a risk-management process which enables it to monitor and measure at any time the risk of each Sub-Fund's portfolio positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ a process for accurate and independent assessment of the value of any OTC derivative instruments.

While assessing the risks involved in the management of the assets of each Sub-Fund, the Management Company will, in addition to the global exposure, monitor risks such as market risks, liquidity risks, counterparty risks and operational risks.

The Management Company will calculate the global exposure of each Sub-Fund by assessing the risk profile of the various Sub-Funds resulting from their investment policy. For this purpose, the Management Company will use the commitment approach or the value at risk ("VaR") approach for the determination of the global exposure as specified in the applicable legislations and regulations, including without limitation CSSF Circular 11/512.

With the commitment approach, the positions on financial derivative instruments will be converted into equivalent positions on the underlying assets (as an alternative method the notional amount may be used). Any Sub-Fund's global exposure, limited to 100% of the Sub-Fund's total net assets, will then equal the sum of the absolute value of each commitment, after consideration of possible effects of netting and hedging in accordance with applicable laws and regulations.

Sub-Funds may also measure their global exposure using the VaR approach (either absolute VaR or relative VaR, as further defined below). The VaR approach permits the quantification of the maximum potential loss which might be generated by a Sub-Fund's portfolio in normal market conditions. The loss is thereby estimated on the basis of a given holding period and a certain confidence level.

The absolute VaR calculates a Sub-Fund's global exposure as a percentage of the Net Asset Value of the Sub-Fund and is measured against an absolute limit of 20% as defined by the CSSF.

The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of a benchmark or reference portfolio and is limited to no more than twice the VaR on the comparable benchmark or reference portfolio. In case the relative VaR is applied to a Sub-Fund, information on the reference portfolio of the relevant Sub-Fund may be obtained free of charge from the registered office of the Management Company.

Where applicable, VaR reports for these Sub-Funds will be produced and monitored on a daily basis based on the following criteria:

- 1 month holding period;
- 99% confidence levels;
- stress testing will also be applied on an ad hoc basis.

The Sub-Funds using the VaR approach are also required to disclose the expected level of leverage. The leverage is thereby calculated by means of the sum of the notionals of the financial derivative instruments in accordance with CSSF Circular 11/512.

The methodology used by each Sub-Fund and the expected level of leverage (if applicable) will be indicated in the Appendix of the relevant Sub-Fund.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply to the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

#### **IV. General**

The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such transferable securities and money market instruments referred to in paragraph I, (A) (1) or of ancillary liquid assets shall not be deemed to be the making of a loan.

The Company needs not to comply with the investment limit percentages laid down above when exercising subscription rights attached to securities which form part of its assets. If such percentages are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

#### **FINANCIAL DERIVATIVE INSTRUMENTS**

Unless otherwise provided for a Sub-Fund in Appendix I, each Sub-Fund is authorised, in accordance with the investment restrictions and their relevant investment policy, to use financial derivative instruments for investment purposes as well as efficient portfolio management purposes. In addition, each Sub-Fund is entitled to use financial derivative instruments for currency, interest rate or other hedging purposes. The global exposure of each Sub-Fund relating to financial derivative instruments shall not exceed the net assets of the Sub-Fund.

Under no circumstances may the use of financial derivative instruments result in an investment policy diverging from that set out for each Sub-Fund in this Prospectus.

Exposure is calculated taking into account the current value of underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate positions. This also applies to the following paragraphs.

As indicated above, the Sub-Funds may, within the framework of their investment policies and within the limits laid down in (A)(1)f) above, invest in financial derivative instruments provided that the overall risks to which the underlying assets are exposed do not exceed the investment limits set out in (C)(i) to (v) above. When the Company invests in index-based financial derivative instruments, these investments do not necessarily have to be combined for the purpose of the limits set out above in (C).

When a financial derivative instrument is embedded in a transferable security or money market instrument, this must be taken into account for the purposes of complying with the provisions of this section.

## TECHNIQUES AND INSTRUMENTS

### **I. Techniques and instruments relating to Transferable Securities and Money Market Instruments**

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against risk.

In particular and to the extent permitted by, and within the limits of, the Law and any related Luxembourg law or any other regulation in force, circulars and positions of the CSSF and, in particular, the provisions of (i) Article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended Law of 20 December 2002 relating to undertakings for collective investment and (ii) CSSF Circular 08/356 relating to rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (as amended or replaced from time to time) and the CSSF Circular 13/559 relating to the ESMA Guidelines on ETF and other UCITS issues ("Circular 13/559"), each Sub-Fund can, in order to generate capital or additional income or to reduce costs or risk (A) enter into repurchase transactions, either as a buyer or a seller, and (B) engage in securities lending transactions.

Where applicable, cash received as guarantee by each Sub-Fund in relation to one of these operations can be reinvested in a manner compatible with the investment objectives of the Sub-Fund in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and with a rating of AAA or equivalent, (b) short-term bank certificates, (c) money market instruments as defined within the Grand Ducal regulation mentioned above, (d) short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States or their local public authorities or supranational institutions and EU, regional or worldwide undertakings, (e) bonds issued or guaranteed by issuers of the first order offering adequate liquidity, and (f) reverse repurchase agreement transactions in accordance with the provisions described in section I.C. a) of the CSSF circular mentioned above. This reinvestment will be taken into account when calculating the overall risk of each Sub-Fund concerned, in particular if it creates leverage.

Unless otherwise stipulated in the investment policy of a Sub-Fund, collateral received will not be reinvested.

### **II. Exposure to total return swaps, securities lending transactions, repurchase agreement and reverse repurchase agreements (SFT Transactions)**

The maximum percentage of a Sub-Fund's net assets that could be subject to various SFT Transactions are provided for a Sub-Fund in the relevant Appendix. Sub-Funds for which this information is not disclosed will not engage in such transactions.

### *Total return swaps*

A total return swap is a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

### *Securities lending*

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

### *Repurchase and reverse repurchase agreements*

A repurchase agreement is a transaction governed by an agreement by which a counterparty transfers securities, commodities, or guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognised exchange which holds the rights to the securities or commodities and the agreement does not allow a counterparty to transfer or pledge a particular security of commodity to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities or commodities and a reverse repurchase agreement for the counterparty buying them.

### *General expenses, costs, risks and counterparties*

Generally, no more than 20% of the gross revenue arising from total return swaps and efficient portfolio management techniques may be deducted from revenue delivered to the Company as direct and indirect operational expenses.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary Bank or the Management Company will be available in the annual report of the Company.

The selected counterparties to such transactions will generally be financial institutions based in an OECD member state of any legal form and having an investment grade credit rating. Details of the selection criteria and a list of approved counterparties are available from the registered office of the Management Company.

Prospective investors' attention is drawn to the fact that the use of SFT Transactions could lead to an increase of the risk profile of the Company.

### **Total return swaps**

To the extent specifically disclosed in the relevant Appendix, any Sub-Fund may use total return swap instruments in order to generate capital or additional income or to reduce costs or risks as well as for investment purposes. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the total return swap.

The following types of assets can be subject to total return swaps: equity and equity-related instruments, forwards and options, OTC derivatives, fixed income instruments, units of UCIs.

The risks related to counterparty default and the effect on liquidity are described under the section "Risk Factors".

### **Securities Lending and Repurchase and Reverse Repurchase Transactions**

The Company does not currently enter into securities lending transactions nor into repurchase and reverse repurchase agreements. Should the Company decide to make use of such transactions in the future, the Prospectus will be updated in conformity with the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2014/937 EN) and any relevant CSSF circular in order to disclose adequate information in this regard.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Company.

## **COLLATERAL MANAGEMENT**

### **General**

The collateral received by a Sub-Fund, if any, shall comply with applicable regulatory standards regarding especially liquidity, valuation, issuer credit quality, correlation and diversification.

The collateral received in connection with such transactions, if any, must meet the criteria set out in the CSSF Circular 08/356 and CSSF Circular 14/592.

### **Reinvestment of collateral**

Non-cash collateral received is not sold, reinvested or pledged.

### **Eligible Collateral**

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the



management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. In such event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value;
- (e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty;
- (f) Where there is a title transfer, the collateral received will be held by the Depositary Bank in accordance with the Depositary Bank's safekeeping duties under the Depositary Bank and Principal Paying Agent Agreement (as defined below). For other types of collateral arrangements, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
- (g) Collateral received shall have a quality of credit of investment grade.

Collateral will be valued on each Valuation Day, using the last available market prices as per ISDA guidelines and taking into account appropriate discounts determined for each asset class based on the applicable haircut policy. The Collateral will be marked to market daily and depending on the current market exposure and collateral balance, the collateral may be subject to variation margin movement when and if certain predetermined thresholds are crossed.

#### **Level of Collateral**

Collateral received will be valued on each Valuation Day and in application of available market prices and in consideration of appropriate haircuts which are determined by the Management Company for all kinds of assets of the Company on the basis of the haircut strategy applied by the Management Company. This strategy takes into consideration various factors depending on the collateral received, such as the creditworthiness of the counterparty, the maturity, currency and the price volatility of the assets.

## Haircut Policy

The following haircuts for collateral shall be applied by the Management Company (the Management Company reserves the right to vary this policy at any time):

Eligible Collateral	Haircut
Cash (same currency as the Sub-Fund's currency)	0%
Cash (other currency as the Sub-Fund's currency)	Between 0% and 10%
Government Bonds - less than one year	between 0% and 5%
Government Bonds - more than one year	between 0% and 10%
Corporate Bonds - less than one year	between 0% and 5%
Corporate Bonds - more than one year	between 0% and 20%
Equity	25%

As the case may be, cash collateral received by a Sub-Fund may be reinvested in a manner consistent with the investment objectives of the relevant Sub-Fund:

- (a) on deposit with credit institutions having its registered office in a Member State or with a credit institution situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down by EU law;
- (b) 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 an accrued basis;
- (d) in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. By way of derogation from the foregoing, any Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of its net assets.

The annual report shall contain details of the following in the context of OTC derivative transactions and efficient portfolio management techniques:

- (a) Where collateral received from an issuer has exceeded 20% of its net assets, the identity of that issuer; and
- (b) Where a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member

State.

## CO-MANAGEMENT AND POOLING

To ensure effective management, the Management Company is authorised to manage all or part of the assets of one or more Sub-Funds with other Sub-Funds in the Company (pooling technique) or to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds of the Company with assets of other Luxembourg undertakings for collective investment or of one or more sub-funds of other Luxembourg undertakings for collective investment (hereinafter called "Party(ies) to co-managed assets") for which the Company's Depositary Bank was appointed as depositary bank. These assets will be managed in accordance with the respective investment policy of the Parties to co-managed assets, each of which pursuing identical or comparable objectives. Parties to co-managed assets will only participate in co-managed assets as stipulated in their respective prospectus and in accordance with their respective investment restrictions.

Each Party to co-managed assets will participate in co-managed assets in proportion to the assets contributed thereto by it. Assets will be allocated to each Party to co-managed assets in proportion to its contribution to co-managed assets. The entitlements of each Party to co-managed assets apply to each line of investment in the aforesaid co-managed assets.

The aforementioned co-managed assets will be formed by the transfer of cash or, if necessary, other assets from each Party to co-managed assets. Thereafter, the Management Company may regularly make subsequent transfers to co-managed assets. The assets can also be transferred back to a Party to co-managed assets for an amount not exceeding the participation of the said Party to co-managed assets.

Dividends, interest and other distributions deriving from income generated by co-managed assets will accrue to the Parties to co-managed assets in proportion to their respective investments. Such income may be kept by the Party to co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to co-managed assets in proportion to its respective entitlement in the co-managed assets.

In the case of infringement to investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even though the Management Company has complied with the investment restrictions applicable to the co-managed assets in question, the Management Company shall, or the Board shall ask the Management Company to, reduce the investment in question proportionally to the participation of the Sub-Fund concerned in the co-managed assets or, if necessary, reduce its participation in the co-managed assets so that investment restrictions for the Sub-Fund are observed.

When the Company is liquidated or when the Board or the Management Company decides - without prior notice - to withdraw the participation of the Company or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to Parties to co-managed assets proportionally to their respective participation in the co-managed assets.

**Investors must be aware of the fact that such co-managed assets are employed solely to ensure effective management, and provided that all Parties to co-managed assets have the same depository bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund will be constantly separated and identifiable.**

## SHARES

Subject to investors eligibility criteria set forth in Appendix I, shares of each Sub-Fund are freely transferable and, upon issue, are entitled to participate equally in the profits and dividends of the Sub-Fund to which they relate and, if applicable, in the proceeds of liquidation. The shares of each Sub-Fund carry no preferential or pre-emptive rights and each share is entitled to one vote at all the meetings of shareholders.

As from the date of this Prospectus, all shares are issued exclusively in registered form without certificates. Bearer shares in issue at the date of this Prospectus must have been deposited with EFA, European Fund Administration S.A., having its registered office at 2 rue d'Alsace, L-1122 Luxembourg, the bearer share depository appointed by the Board (the "Bearer Share Depository"), in accordance with the Luxembourg Law of 28 July 2014 concerning the compulsory deposit and immobilisation of shares and units in bearer form. Bearer shares which have not been deposited with the Bearer Share Depository on 18 February 2016 at the latest will be cancelled. Instead of certificates, the Registrar and Transfer Agent will issue a confirmation of registration in the shareholders' register held at the registered office of the Company. Confirmations of registration in the shareholders' register will be sent to the shareholder within five business days following payment of the subscription price. All shares in the Company must be fully paid-up. Fractioned entitlements will be recognised up to 3 decimal places. The resulting cash fraction remainder is retained in the Sub-Fund for inclusion in the subsequent calculations.

Within each Sub-Fund, the Board may issue capitalisation and distribution shares. Distribution shares entitle the holders thereof to dividends out of the portion of the net assets attributable to the distribution shares of the relevant Sub-Fund. Capitalisation shares do not grant to their holder the right to receive dividends. The fraction of results attributable to capitalisation shares of a Sub-Fund will be reinvested in the relevant Sub-Fund.

Some classes of shares of the Company may be listed on the Luxembourg Stock Exchange. Trading in shares of the Company on the Luxembourg Stock Exchange will be made in accordance with the rules and regulations of the Luxembourg Stock Exchange and subject to the payment of normal brokerage fees. The fractional entitlements to shares cannot be traded on the Luxembourg Stock Exchange.

## ISSUE OF SHARES

The Company reserves the right to reject any application in whole or in part. If an application is rejected or an allotment is cancelled, the Company, at the risk of the applicant, will return the application monies or the balance thereof, at the cost of the applicant, by telegraphic transfer or SWIFT. No share of any Class may be issued during any period in which the calculation of the Net Asset Value of the Sub-Fund to which such Class belongs has been suspended by the Company.

A subscription fee of up to 3% may be charged by the Company on behalf of the relevant Class of shares and will be payable to the Management Company, the distributors of the Company's shares or any agent active in the placement of the Company's shares. The applicable fee rate (if any) is set out in Appendix I.

Shares may be subscribed as of each Valuation Day. Applications for a certain number of shares or for a specific amount must be received by 11 a.m. on the applicable Valuation Day. Applications received after this cut-off time will be dealt with on the basis of the Net Asset Value determined as of the next Valuation Day.

Applications for shares will be executed, if accepted, on the basis of the Net Asset Value determined as of the applicable Valuation Day, plus the relevant subscription fee as more fully disclosed in Appendix I.

Unless otherwise provided in Appendix I, subscription prices are payable in the reference currency of the relevant Sub-Fund within 5 Business Days following the applicable Valuation Day. Applications for subscription in other major currencies freely convertible shall be accepted but, in such case, conversion fees will be charged to the subscriber. Should the subscription price not be paid within the requested timeframe, the Company reserves the right to compulsorily redeem the relevant shares subscribed, in accordance with the procedure set forth in the Articles. The Company may seek indemnification for any loss suffered by the Company as a result of the failure of the subscriber to pay the subscription price within the requested timeframe.

Subject to applicable laws and upon approval of the Company, the subscription price may be paid at the request of an investor, in whole or in part, by contributing to the Company securities acceptable to the Company and consistent with the investment policy and restrictions of the relevant Sub-Fund. To the extent required by law or the Board, a special audit report from the approved statutory auditor of the Company confirming the value of any assets contributed in kind will be issued, at the costs of the subscribing shareholder. The Board will only accept payment in kind if (i) specifically requested by the relevant shareholder and (ii) such transfer of assets does not adversely impact the other shareholders.

**Note to investors on the prevention of money laundering and of financing of terrorism**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the investors. Accordingly, the Registrar and Transfer Agent may require, pursuant to its risks based approach, investors to provide proof of identity. In any case, the Registrar and Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Company / Management Company nor the Registrar and

Transfer Agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be, pursuant to the Registrar and Transfer Agent's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## REDEMPTION OF SHARES

Shareholders shall be entitled, as of any Valuation Day, to request redemption of all or part of their shares by applying in writing to the Company indicating the Sub-Fund, the relevant Class and the number of shares or the amount to be repurchased, along with the address to which payment is to be made.

Requests for redemption are irrevocable subject to the provisions of Chapter "Temporary suspension of the calculation of the Net Asset Value and of issues, redemptions and conversions". The redeemed shares will be cancelled by the Company.

Redemption requests must be received by 11 a.m. (Luxembourg time) on the applicable Valuation Day.

Unless otherwise provided in Appendix I, the price in respect of each share tendered for redemption will be paid in the reference currency of the relevant Sub-Fund on the basis of the Net Asset Value per share of the relevant Sub-Fund of the applicable Valuation Day, less any redemption fee that may be levied in favour of the relevant Sub-Fund or approved intermediaries, as more fully disclosed in Appendix I.

The percentage of the redemption fee shall be the same for a same Class and for all redemption requests received on the same Valuation Day.

The redemption price is in principle paid within 5 Business Days following the applicable Valuation Day.

The redemption price shall be paid in the currency of the relevant Sub-Fund or any other currency indicated in the redemption request, in which case conversion fees shall be charged to the shareholder.

The Board may decide, at its sole discretion, to satisfy redemption requests in whole or in part, by allocating to the relevant redeeming shareholder investments attributed to the relevant Sub-Fund, in value equal to the Net Asset Value attributable to the shares to be redeemed. To the extent required by law or the Board, a special audit report by the approved statutory auditor of the Company will be issued, at the costs of the redeeming shareholder. The Board will only proceed to redemption in kind if (i) specifically requested by the relevant shareholder and (ii) such transfer of assets does not adversely impact the other shareholders.

Further, if on any Valuation Day redemption requests relate to more than 10% of the shares in issue in respect of a Class or Sub-Fund, the Board may declare that part or all of such requests for redemption or conversions will be deferred on a pro rata basis for a period that the Board considers to be in the best interests of the Company. Such period would not normally exceed 15 Valuation Days. At the term of this period, these redemption and conversion requests will be met in priority to later requests, subject however to the right of the Company to further defer redemption requests exceeding the aforementioned 10% limit.

## CONVERSION OF SHARES

Shareholders are entitled to convert free of charge all or part of their shares for shares of the same Class of another Sub-Fund or shares of another Class of the current Sub-Fund, unless otherwise provided in the Appendix I and subject to compliance with the characteristics of the Class into which the relevant shares are to be converted.

Shareholders applying for conversion of all or part of their shares may make their request at any time in writing to the Company. Applications must include either (i) the number of shares or (ii) the amount that the shareholder wishes to convert against shares of the chosen Sub-Fund and the new Class of shares chosen. Conversion requests are irrevocable subject to the provisions of Chapter "Temporary suspension of the calculation of the Net Asset Value and of issues, redemptions and conversions".

Requests for conversion must be received by 11 a.m. (Luxembourg time) on the applicable Valuation Day.

Conversions will be made on the basis of the respective Net Asset Value per share of the relevant Classes of shares or Sub-Funds on the applicable Valuation Day.

No conversion of shares may be made during a period where the calculation of Net Asset Value of the relevant Sub-Funds is suspended.

## TRANSFER OF SHARES

The transfer of registered shares can normally be done by sending to the Registrar and Transfer Agent an appropriate instrument of transfer. As soon as the request for transfer is received, the Registrar and Transfer Agent may, after due consideration of the endorsement(s), request that the signatures are guaranteed by an approved bank, broker or a notary.

## MANAGEMENT COMPANY

The Board is responsible for the management and control including the determination of investment policy of the Sub-Funds.

Pursuant to a management company agreement dated as of 1 June 2008, the Board has appointed Vector Asset Management S.A. as management company of the Company for an unlimited period. The Management Company will be responsible, on a day-to-day basis and under the supervision of the Board, for the provision of administration, investment management and marketing services in respect of all the Sub-Funds with the possibility to delegate part or all of such functions to third parties.

The Management Company was incorporated as a *société anonyme* on 26 May 2008. The Management Company has been authorised by the CSSF to pursue its object, which consists of exercising the business of a management company under the provisions of Chapter 15 of the Law. The subscribed capital of the Management Company is 300,000 Euros and is fully paid up.

At the date of this prospectus, the Management Company has not been appointed as management company for any other undertakings for collective investment.

At the date of this Prospectus, the composition of the board of directors of the Management Company is as follows:

- Werner Smets, chairman
- Decennium Capital BVBA represented by Thierry Vandeghinste,
- Jan Bonroy,
- Marc Sallet.

Thierry Vandeghinste, Eric Grenouillet and Laurence Jodogne are the managers responsible for the day-to-day activities of the Management Company within the meaning of Article 102 of the Law and CSSF Circular 18/698.

The Management Company performs itself the investment management functions for the whole Sub-Funds of the Company but has delegated the central administration functions to RBC Investor Services Bank S.A.

For the performance of the day-to-day investment management of one or several Sub-Funds of the Company, the Management Company may obtain, at its own costs, the assistance of one or more investment advisers.

The Management Company will ensure that the Company complies with the investment restrictions and the investment policies described in this Prospectus. The Management Company will itself report on this subject to the Board. The Management Company shall inform each member of the Board without delay of any infringement of the investment restrictions.

The Management Company will monitor on a continued basis, the activities of third parties to which it has delegated functions and will receive periodic reports from these service providers to enable it to perform its monitoring and supervision duties.

The Management Company will receive a management company fee as well as part of the management fee and performance fee detailed in Chapter "Charges and Fees" and paid by the Company (the remainder being paid to the Investment Advisor).

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with its Articles;



- are in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company;
- include an assessment of performance 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
- do not allow for a variable remuneration.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at [www.vector.lu/en/remuneration-policy](http://www.vector.lu/en/remuneration-policy). A paper copy is available free of charge upon request at the Management Company's registered office.

#### INVESTMENT ADVISOR

Pursuant to an agreement dated as of 15 July 2003 and amended for the last time on 15 November 2010, the Company has appointed Vector Conseil S.A., 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg to advise the Board on the management of the assets of the different Sub-Funds.

Vector Conseil S.A. is a *société anonyme* incorporated in Luxembourg on 2 July 2003. Its capital at incorporation was 75,000 euros and its objective is, among other things, to advise the Company in relation to the management of its assets.

Vector Conseil S.A. will receive part of the management fee and performance fee detailed in Chapter "Charges and Fees" and paid by the Company (the remainder being paid to the Management Company).

#### DEPOSITARY BANK AND PAYING AGENT

##### **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 of the Company with responsibility for the

- (a) safekeeping of the assets;
- (b) oversight duties;
- (c) cash flow monitoring; and
- (d) principal paying agent functions,

in accordance with the Law, and the Depositary Bank and Principal Paying Agent Agreement dated as of 20 January 2020 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, as amended, and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2018 amounted to approximately EUR 1,188,286,274.

The Depositary Bank has been authorised 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.

A description of any safekeeping functions delegated by the Depositary Bank and a current list of the delegates and sub-custodians may be obtained, on request, from the Depositary Bank or via the following website link:

<https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>. The Depositary Bank 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 and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary Bank will:

- ensure that the sale, issue, repurchase, redemption and cancellation of shares effected on behalf of the Company are carried out in accordance with Luxembourg law and with the Articles,
- ensure that the value of shares is calculated in accordance with Luxembourg law and the Articles,
- carry out the instructions of the Company, unless they conflict with Luxembourg law and the Articles,
- 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 Luxembourg law and the Articles.

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

#### **Depositary's conflicts of interests**

From time to time conflicts of interests may arise between the Depositary Bank and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to Company. On an ongoing basis, the Depositary Bank analyses, 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, as amended.

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

The Depositary Bank 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 interest situations in:
  - Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary Bank business;
  - Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
    - the Depositary Bank and any third party to whom the custodian functions have been delegated do not accept any investment management mandates.
    - the Depositary Bank does not accept any delegation of the compliance and risk management functions.
    - the Depositary Bank 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 the Depositary Bank.
    - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

The Depositary Bank 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, on request, from the Depositary Bank or via the following website link:

<https://www.rbcits.com/en/who-we-are/governance/information-on-conflicts-of-interest-policy.page>.

<b>ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT, DOMICILIARY AGENT AND CORPORATE AND LISTING AGENT</b>
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The Management Company has delegated its administrative agent, registrar and transfer agent, domiciliary agent and corporate agent, and listing agent duties to RBC as its administrative agent (hereafter referred to as the "Administrative Agent"), as the Company's registrar and transfer agent (the "Registrar Agent") and listing agent ("Listing Agent") pursuant to an agreement effective as of 20 January 2020 between the Management Company, the Company and RBC. RBC has also been appointed as the

Company's domiciliary agent and corporate agent ("Domiciliary and Corporate Agent") pursuant to this agreement.

As Administrative Agent, RBC is responsible for the calculation of the Net Asset Value, the maintenance of books and records, the administration of the day-to-day operations and business of the Company and other general administrative functions. Further, the Administrative Agent is responsible for the calculation of the *taxe d'abonnement*, the reporting and publication services (such as e.g. the preparation of the financial reports, the liaising with the Company's auditor and the supervisory authorities, the filing with the supervisory authorities of all statements required under applicable laws and regulations in Luxembourg) as well as for the provision of the annual and semi-annual reports of the Company.

As Registrar Agent, RBC 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 (the "Register").

As Domiciliary Agent, RBC shall grant the Company an address to establish its registered office and shall assume the provisions of the services of domiciliary agent in accordance with applicable laws and regulations.

As Listing Agent, RBC shall carry out the functions of a listing agent that are required by the Luxembourg stock exchange.

#### **MARKET TIMING AND LATE TRADING**

Investors are informed that the Board is entitled to take adequate measures in order to prevent practices known as "market-timing" in relation to investments in the Company. The Board will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "late trading".

The Board is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of market timing practices. In addition, the Board, the Management Company, the Central Administration or any other intermediary is authorised to take any further measures deemed appropriate to prevent such practices.

#### **NET ASSET VALUE**

The day on which the Net Asset Value of the shares is calculated (the "Valuation Day") by the Administrative Agent is specified for each Sub-Fund in Appendix I to this Prospectus.

Furthermore, at the end of each month, half-year and financial year, the Net Asset Value normally calculated as of the Valuation Day closest to the end of the relevant month, half-year or financial year will be replaced by a Net Asset Value calculated on the last calendar day of the period concerned.

Notwithstanding the valuation principles specified below, the Net Asset Value of the shares of each Sub-Fund at the end of any financial year, half-year or month will be calculated on the basis of the last available price at the end of the relevant financial year, half-year or month in question.

The Net Asset Value of shares of each Sub-Fund or Class in the Company shall be expressed as a per share figure in such currency as the Board shall from time to time determine in respect of such Sub-Fund or Class and shall be determined in respect of any Valuation Day by dividing the net assets of the Company corresponding to each Sub-Fund or Class by the number of shares of the relevant Sub-Fund or Class then outstanding and shall be rounded up or down to two decimal places.

The valuation of the net assets of the different Sub-Funds or Classes shall be made in the following manner:

- (i) the assets of the Company shall be deemed to include:
  - (a) all cash on hand or on deposit, including any interest expired but not delivered and any interest accrued thereon until the Valuation Day;
  - (b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
  - (c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Company;
  - (d) all known dividends and distributions receivable by the Company in cash or in kind;
  - (e) all interest expired but not delivered and interest accrued on any securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such security;
  - (f) the preliminary expenses of the Company insofar as the same have not been written off; and
  - (g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses and dividends and interest declared or accrued but not yet received, shall be deemed to be the face value unless it appears unlikely that this value will be received; in this case the value shall be determined by deducting an amount that the Board considers adequate in order to reflect the true value of these assets;
2. The valuation of any transferable security and/or money market instrument admitted to trading on an official stock exchange or on any other Regulated Market that operates regularly, is recognised and open to the public, shall be based on the last available price in Luxembourg on the Valuation Day and, if this transferable security or instrument is traded

on several markets, on the basis of the last available price of the principal market of this transferable security or instrument; if the last available price is not representative, the valuation shall be based on the probable realisation value estimated by the Board with prudence and in good faith;

3. Futures and options shall be valued on the basis of the last available price on the Valuation Day on the relevant market. The prices used shall be the liquidation prices on futures markets;
4. Non-listed transferable securities or those not traded on a stock exchange or on any other Regulated Market operating regularly, recognised and open to the public shall be valued on the basis of the probable realisation value estimated by the Board with prudence and in good faith;
5. Units of undertakings for collective investment shall be valued on the basis of their last available net asset value;
6. Swaps shall be valued at fair value based on the last known closing price of the underlying value;
7. Money-market instruments which are not listed on a stock market or traded on another Regulated Market, operating regularly, recognised and open to the public shall be valued in accordance with market practices;
8. Financial derivative instruments which are not listed on an official stock exchange or traded on any other Regulated Market shall be valued in accordance with market practices;
9. Values expressed in a currency other than the reference currency of the Sub-Fund shall be converted on the basis of the exchange rate of the currency concerned as determined from time to time by the Board.

The Board is authorised to apply other appropriate valuation principles for the assets of the Company if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

(ii) The liabilities of the Company shall be deemed to include:

1. all loans, bills and accounts payable;
2. all known liabilities, present and future, including all matured contractual liabilities concerning payments in cash or in kind (including the amount of dividends declared by the Company but not yet paid);
3. all reserves, authorised and approved by the Board, particularly those which had been created to cover a potential capital loss on certain of the Company's investments;

4. any other commitment of the Company, of any nature whatsoever, except for those represented by the Company's own resources. In order to assess the amount of these other liabilities, the Company will take into account all expenses to be borne by it including, without limitation, the costs of drawing up and subsequent amendments to the Articles, the costs and expenses payable to various service providers such as the Management Company, Investment Advisor, managers (if any), distributors and nominees, Depository Bank, corresponding agents, Administrative Agent, Registrar and Transfer Agent, Paying Agent and other agents and employees of the Company, as well as permanent representatives of the Company in the countries of registration, fees for legal and auditing services, promotional expenses, costs of printing and publishing shares sales documents, costs of printing annual and interim reports, costs of holding shareholders and Board meetings, the reasonable travel expenses of the directors and officers including their insurance premiums, attendance fees, registration statement costs, all taxes and duties levied by government authorities and stock exchanges, costs of publishing the issue, redemption and conversion price as well as all other operating expenses including financial, banking or brokerage charges incurred on the purchase or sale of assets or otherwise and all other administrative expenses;
  5. In determining the amount of these liabilities, the Company will take into account, on a pro rata basis, administrative and other expenses of a regular or recurring nature. The Board may also decide to make any necessary prepayment, on separate fee accounts opened for the relevant Sub-Funds/Classes of Shares, in order to anticipate foreseen administrative and operating expenses, as detailed above.
- (iii) The Board shall establish a pool of assets for each Sub-Fund in the following manner:
- (a) the proceeds from the issue of each Sub-Fund shall be applied in the books of the Company to the pool of assets established for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool subject to the provisions of the Articles;
  - (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool as the assets from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;
  - (c) where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;
  - (d) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability shall be allocated to all the pools *pro rata* to the Net Asset Value of the relevant Sub-Fund, it being understood that any non-material amount can be allocated to all the pools in equal parts;

- (e) upon the payment or the occurrence of the record date, if determined, for payment of dividends to the holders of any Sub-Fund, the Net Asset Value of such Sub-Fund, shall be reduced by the amount of such dividends; and
- (f) effect shall be given on any Valuation Day to any purchases or sales of securities contracted for by the Company prior to the cut off set by the Administrative Agent for such purchases and trades on such Valuation Day, to the extent practicable.

Pursuant to the Articles, the assets and liabilities of each Sub-Fund are segregated. The Company operates as an undertaking for collective investment with multiple Sub-Funds, which means that the Company is made up of several Sub-Funds, each representing a specific group of assets and liabilities and following a specific investment policy. Each Sub-Fund will be treated as a separate entity generating its own assets, liabilities, charges and fees. The rights of the shareholders and creditors relating to a Sub-Fund or arisen in connection with the set-up, the operation or the liquidation of a Sub-Fund are limited to the assets of this Sub-Fund. The assets of a specific Sub-Fund are exclusively available to satisfy the rights of investors in connection with this Sub-Fund and the rights of creditors whose claims have arisen in connection with the set-up, the operation or the liquidation of this Sub-Fund.

- (iv) For the purpose of paragraphs (ii) and (iii) and this paragraph (iv): (a) shares in respect of which subscriptions have been accepted but payment has not yet been received shall be deemed to be existing; (b) shares to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the applicable Valuation Day, and from such time and until payment of the price, these shares shall be deemed to be a liability of the Company; (c) all investments, cash balances and other assets of the Company not expressed in the currency in which the Net Asset Value of the relevant Sub-Fund or Class (as applicable) is denominated shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of such shares.

For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and diligence in this respect, may exclusively, when calculating the Net Asset Value, rely upon the valuations provided (i) by the Board and/or the Management Company, (ii) by various pricing sources available on the market such as pricing agencies (e.g., Bloomberg or Reuters) or administrators or investment managers of target UCI, (iii) by prime brokers and brokers or (iv) by specialist(s) duly authorised to that effect by the Board and/or the Management Company.

In such circumstances, the Administrative Agent shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any shareholder by reason of any error in the calculation of the Net Asset Value and the Net Asset Value per Share resulting from any inaccuracy in the information provided by the professional pricing sources, by the Board and/or the Management Company, by investment managers or administrative agents of target UCIs, by prime brokers and brokers or by specialist(s) duly authorised to that effect by the Board and/or the Management Company.

In circumstances where one or more pricing sources fails to provide valuations to the Administrative Agent preventing the latter to determine the subscription and redemption prices, the Administrative Agent shall inform the Board and/or the Management Company thereof and the Administrative Agent shall obtain from it/them authorized instructions in order to enable it to finalize the computation of the



Net Asset Value and the Net Asset Value per Share. The Board and/or the Management Company may decide to suspend the Net Asset Value calculation, in accordance with the relevant provisions in the Prospectus and the Articles. In such circumstances, the Administrative Agent shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any shareholder. The Board and/or the Management Company shall be responsible for notifying the suspension of the Net Asset Value calculation to the shareholders, if required, or for instructing the Administrative Agent to do so. If the Board and/or the Management Company do(es) not decide to suspend the Net Asset Value calculation in a timely manner, the Board and/or the Management Company shall be liable for all the consequences of a delay in the Net Asset Value calculation, and the Administrative Agent may inform the relevant authorities and the Company's auditor in due course.

With respect to the protection of investors in case of net asset value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Company, the principles and rules set out in CSSF circular 02/77 of 27 November 2002, as amended from time to time, shall be applicable. As a result, the liability of the Administrative Agent in the context of the net asset value calculation process shall be limited to the tolerance thresholds applicable to the Company set out in CSSF circular 02/77, as amended from time to time.

Information regarding the Net Asset Value per share, the issue price and the redemption price will be available at the registered offices of the Company or the Administrative Agent and at the office of the distribution agent in those countries where the Company is registered for public sale and will be published regularly as more fully described in Appendix I.

### **Dilution**

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and of the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or conversions in and out of the Sub-Fund. This is known as "dilution". In order to counter this and to protect shareholders' interests, the Board may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Board may make adjustments in the calculations of the Net Asset Values per share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board may alternatively decide to charge a dilution levy on subscriptions or redemptions, as described below.

### **Swing Pricing**

If on any Valuation Day the aggregate transactions in shares of a Sub-Fund result in a net increase or decrease of shares which exceeds a threshold set by the Board from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the Sub-Fund will be adjusted by an amount (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in an increase of all shares of the Sub-Fund and a deduction when it results in a decrease.

## Dilution Levy

The Company has the power to charge a "dilution levy" of up to 2% of the applicable Net Asset Value on individual subscriptions or redemptions, such "dilution levy" to accrue to the affected Sub-Fund. The Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose and such dilution levy will not be applied if the swing pricing mechanism is used.

<p style="text-align: center;"><b>TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND OF ISSUES, REDEMPTIONS AND CONVERSIONS</b></p>
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The Company may suspend (i) the calculation of the Net Asset Value, (ii) the right of any shareholder to request the issue, redemption and conversion of any share in any Sub-Fund of the Company as well as (iii) any payment of a redemption for which the Net Asset Value has already been determined but for which the redemption price has not been paid yet:

- (a) during any period when any of the principal stock exchanges or Regulated Markets on which any substantial portion of the investments of the Company attributable to the relevant Sub-Fund from time to time are quoted or dealt on is closed, or during which dealings therein are restricted or suspended; or
- (b) during the existence of any political, economical, military, monetary, social situation or any event of *force majeure* as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable by reasonable and normal means, without seriously prejudicing the interests of shareholders; or
- (c) during any period when there is a breakdown in the means of communication normally employed in determining the price or value of a substantial part of the investments attributable to any particular Sub-Fund preventing the correct calculation of net assets within the normal time limits; or
- (d) when currency or capital movement restrictions prevent the exercise of transactions on the Company's behalf or when purchases and sales of the Company's assets cannot be carried out at normal exchange rates;
- (e) on a decision of the Board, and provided that the principle of equal treatment between shareholders and the applicable laws and regulations are complied with (i) upon the convening of a general meeting of shareholders for the purpose of resolving on the winding-up of the Company or of a Sub-Fund or (ii) in the case where the Board has the power to resolve on the liquidation of a Sub-Fund, as soon as the Board has decided to liquidate a Sub-Fund; and
- (f) in exceptional circumstances that might negatively affect the interests of shareholders, or if in the event of massive redemption requests as described in the chapter "Redemption of Shares", the Board reserves the right to determine the value of shares in the relevant Sub-Fund only after having effected the necessary sales of transferable securities.

During any suspension of the calculation of the Net Asset Value, requests for subscription, redemption or conversion of shares may be revoked provided such request reach the Company prior to the lifting of the suspension period. Failing revocation, the issue, redemption or conversion price shall be based on the Net Asset Value calculated on the first Valuation Day after the expiry of the suspension period.

Notice of any such suspension and termination thereof will be given to any shareholder applying for subscription or tendering his shares for redemption or conversion.

## TAXATION

### Taxation

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

### Taxation of the Company

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

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

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

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

A reduced subscription tax rate of 0.01% per annum is however applicable to:

- (i) any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both;
- (ii) any Sub-Fund or class of shares provided that their shares are only held by one or more institutional investor(s).

A subscription tax exemption applies to:

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

To the extent that the Company would only be held by pension funds and assimilated vehicles, the Company as a whole would benefit from the subscription tax exemption.

#### **Withholding tax**

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

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

#### **Taxation of the shareholders**

##### **Luxembourg resident individuals**

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

- (i) the shares are sold within 6 months from their subscription or purchase; or
- (ii) if the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (contribution au fonds pour l'emploi).

### **Luxembourg resident corporate**

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 24.94% (in 2019 for entities having their registered office in Luxembourg-City) on capital gains realized upon disposal of shares and on the distributions received from the Company.

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

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

### **Non-Luxembourg residents**

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

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

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

requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

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

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

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

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

#### **US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")**

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

the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

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

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

## GENERAL MEETINGS

The annual general meeting of shareholders of the Company is held at the registered office of the Company in Luxembourg or at such other place as may be indicated in the convening notice on the second Tuesday in April of each year, or, if such day is not a Business Day in Luxembourg, on the next following Business Day.

If permitted by and on the conditions set forth in Luxembourg laws and regulations, the annual general meeting of shareholders may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board.

Other general meetings of shareholders may be held at times and places specified in the convening notices.

Shareholders of a Sub-Fund or specific Class of the Company may at any time hold general meetings in order to resolve on matters relating to that specific Sub-Fund or Class only.

Except as otherwise required by law or as otherwise provided herein, resolutions at a meeting of shareholders of specific Sub-Fund or Class will be passed by a simple majority of the votes of the shareholders present or represented.

Notices of all general meetings will be sent to each shareholder at least eight days prior to the meeting. Such notice will set forth the agenda and specify the time and place of the meeting and will specify the requirements as to attendance, quorum and majorities which shall be those laid down in Article 450-1 and 450-3 of the Law of 1915.

In addition, notices will be published in the RESA and in a Luxembourg newspaper to the extent required by Luxembourg laws.

The notice of any general meeting of shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of shareholders will be held (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

#### **DIVIDEND POLICY**

The annual general meeting of shareholders may, upon proposal of the Board, resolve on the portion of the investment income to be allocated to each Sub-Fund, and within each Sub-Fund on the allocation of investment income between capitalisation shares (the "Capitalisation Shares"), distribution shares (the "Distribution Shares") and the mixed distribution shares (the "Mixed Distribution Shares") pro rata to the corresponding assets.

The portion of investment income allocated to Capitalisation Shares shall be reinvested in the Company and shall thus increase the Net Asset Value relating to the Capitalisation Shares. With respect to the investment income allocated to Distribution Shares, the distributable amount for each Sub-Fund may consist of interests, dividends, realised or unrealised capital gains and other realised income after deduction of costs, realised or unrealised capital losses as well as the capital of such Sub-Fund, within the limits set forth by Article 27 of the Law.

Dividends may be paid to Mixed Distribution Shares corresponding to all or part of the net investment income allocated to these shares (excluding capital or capital gains, unless otherwise decided by the Board in exceptional circumstances).

Any resolution taken during an annual general meeting of shareholders and deciding on the distribution in any Sub-Fund shall be preceded by a majority vote of the shareholders of the Class concerned.

With respect to Distribution Shares and Mixed Distribution Shares, any dividend declared but not claimed within five years after its allocation shall be forfeited to the Sub-Fund concerned.

No interest shall be paid on a dividend declared by the Company and held by the Company on behalf of the shareholders entitled thereto.

The Board may decide on the payment of interim dividends in compliance with legal requirements.



## CHARGES AND FEES

The Management Company, the Investment Advisor, the Depository Bank, the Domiciliary Agent, the Administrative Agent, the Paying Agent, the Registrar and Transfer Agent are entitled to the fees and other remuneration described below:

### **FEES PAYABLE TO THE MANAGEMENT COMPANY**

The Management Company will be entitled to the Management Company fee as well as part of the management fee payable quarterly by the Company at a rate set out for each Sub-Fund in Appendix I.

The Management Company (and the Investment Advisor) may also be entitled to a performance fee. Details of such performance fee (if applicable) are set out in Appendix I.

### **FEES PAYABLE TO THE INVESTMENT ADVISOR**

The Investment Advisor will be entitled to part of the management fee payable quarterly by the Company at a rate set out for each Sub-Fund in Appendix I.

The Investment Advisor (and the Management Company) may also be entitled to a performance fee. Details of such performance fee (if applicable) are set out in Appendix I.

### **DEPOSITARY BANK, DOMICILIARY AND CENTRAL ADMINISTRATION FEE**

The Company will pay to the Depository Bank, Administrative Agent and Registrar and Transfer Agent annual fees which will vary up to a maximum of 0.50% of the Net Asset Value of the Company, subject to a minimum fee per Sub-Fund of EUR 35,000 and a minimum fee of EUR 24,000 at the Company level. These fees are payable on a quarterly basis and do not include any transaction related fees, and costs of sub-custodians or similar agents. The Depository Bank, Administrative Agent and Registrar and Transfer Agent is 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 Depository Bank, Administrative Agent and Registrar and Transfer Agent will be mentioned in the annual report of the Company.

### **DIRECTORS**

Each director may receive a fee to be determined by the annual general meeting of shareholders. In addition, directors may be reimbursed for any other expenses they incur in fulfilling their duties to the Company, to the extent that these expenses are deemed reasonable.

## **GENERAL**

The Company bears all its operating expenses, brokerage fees, taxes, contributions and expenses incurred by the Company, as well as registration fees and expenses payable to the competent authorities and the Luxembourg Stock Exchange.

Expenses incurred in connection with the setting-up of the Company - including expenses incurred in preparing and printing this Prospectus and the KIIDs, preparation and printing of share certificates, if applicable, and admission to official listing of shares on the Luxembourg Stock Exchange, if applicable, - are borne by the Company and have been amortized over the first five financial years on a straight line basis.

Expenses incurred in connection with the setting-up of additional Sub-Funds will be amortized over a period of five financial years as from the launch of the relevant Sub-Fund.

### **FINANCIAL YEAR**

The financial year of the Company starts on 1<sup>st</sup> January each year and ends on 31<sup>st</sup> December of the same year.

### **RISK FACTORS**

The investments of each Sub-Fund are subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that capital appreciation or distribution payments will occur.

#### **Fluctuations in Value – Risk of Loss of Capital**

The value of investments and income from them, and therefore the value of the shares of each Sub-Fund, can and do go down as well as up and an investor may not get back the amount invested. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase. An investor who realises his investment in the Company after a short period may not realise the amount originally invested in view of the initial charges made on the issue of shares. The descriptions below summarise certain risks. They are not exhaustive, and under no circumstances do they constitute advice on the suitability of investments.

#### **Equity Risk**

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the 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 equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value 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.

### **Risk of investments in Equity Related Securities**

In accordance with the investment restrictions of the Company, certain Sub-Funds may invest in equity related securities, including but not limited to financial derivative instruments, options, swaps, futures and forward contracts, warrants, convertible bonds and preference shares. Equity related securities may not be listed and are subject to the terms and conditions imposed by their issuers. There may be no active market in equity related securities and therefore investments in equity related securities can be illiquid. In order to meet realisation requests, the Company relies upon the issuers of the equity related securities to quote a price to unwind any part of the equity related securities that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuers of equity related securities will not settle a transaction due to a credit or liquidity problem and the relevant Sub-Funds may suffer a loss (including a total loss). Investments in equity related securities do not entitle the investors to the beneficial interest in the underlying securities nor to make any claim against the company issuing the securities. Fluctuations in the exchange rate between the denomination currency of the underlying shares and the equity related securities will affect the value of the equity related securities, the redemption amount and the distribution amount on the equity related securities.

### **Foreign exchange risk**

The conversion into a foreign currency or the transfer of proceeds from the sale of transferable securities from certain markets cannot be guaranteed.

The value of a currency in relation to other currencies on certain markets can fall, thus affecting the value of the investment.

Moreover, fluctuations in exchange rates can occur between the date of negotiation of a transaction and the date on which the foreign currency is obtained to honour payment obligations.

### **Liquidity Risk**

In some circumstances, investments may become relatively illiquid making it difficult to dispose of them at the prices quoted on the various stock exchanges. Accordingly, a Sub-Fund's ability to respond to market movements may be impaired and the Sub-Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

### **Investing in Financial Derivative Instruments**

#### *Contracts for Difference ("CFD") and Dynamic Portfolio Swap ("DPS")*

CFD and DPS are over-the-counter financial instruments which allow an investor to take advantage of the share price movements without having to hold such a share or to manage the holding constraints (custody, financing, loan for shorts). Indeed, CFD and DPS are contracts entered into between two parties to exchange, at the end of this contract, the difference between the opening and the closing

prices of the contract, multiplied by the number of units of the underlying asset as specified in the contract. The settlement of these differences is completed through a cash payment, not through a physical delivery of the underlying assets.

The risk exposure arising from these transactions, together with the global risk associated with other derivative instruments cannot be, at any time, higher than the value of the net assets of the relevant Sub-Fund.

In particular, CFD and DPS on transferable securities, financial indexes or swaps must be strictly in compliance with the investment policy of each Sub-Fund and with the restrictions laid down in the section entitled "Investment Restrictions". Each Sub-Fund shall guarantee a permanent and adequate coverage of its obligations in respect of the CFD and DPS to meet the redemption requests of the shareholders.

#### *Futures and Options*

The Company may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below "Particular Risk of OTC Derivative Transactions"). The Company must comply with the limits set out under "Investment Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### **Particular Risks of OTC Derivative Transactions**

##### *Absence of regulation; counterparty default and lack of liquidity*

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, swaps, total return swaps and certain options on currencies, contracts for difference and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Company entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under

the transactions and that the Company will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

#### *Legal Risks*

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

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

#### **Tax**

Investors will in particular acknowledge the fact that proceeds from the sale of securities in certain markets or the receipt of dividends or other income can or will be subject to the payment of a tax, duties or other costs or charges imposed by market authorities, including a withholding tax. Tax legislation and traditional taxation in force in certain countries in which a Sub-Fund invests or is likely to invest in the future (in particular emerging markets) are not clearly established. As a result, it is possible that the current interpretation of the law or the understanding of taxes may change or the law amended retrospectively. Therefore, the Company is in such countries subject to additional taxation in existence at the date of publication of the Prospectus or when the investments are carried out or evaluated.

#### **Potential Conflicts of Interest**

The Management Company and the relevant persons (meaning, in relation to the Management Company any of the following: a) a director, partner or equivalent, or manager of the Management Company, b) an employee of the Management Company, as well as any other natural person whose services are placed at the disposal and under the control of the Management Company and who is involved in the provision by the Management Company of collective portfolio management, c) a natural person who is directly involved in the provision of services to the Management Company under a delegation arrangement to third parties for the purpose of the provision by the Management Company of collective portfolio management) may from time to time act as investment manager or adviser or as management company to other investment funds and may act in other capacities in respect of such other investment funds.

It is therefore possible that the Management Company has, in connection with its activities, potential conflicts of interest with the Company. The Board and the Management Company, as the case may be, shall take the necessary measures to ensure that such conflicts of interest are fairly resolved and in the best interest of the Company.

The Company may also invest in investment funds that are managed by the Management Company or some of its affiliates. Similarly, the directors of the Management Company may also be directors of the Company and of other investment funds, the interest of which could conflict with the interest of the Company. In the event of a conflict between the interest of the Company and the interest of the affiliated companies of the Management Company, the directors of the Management Company shall take the necessary measures to resolve this in the best interest of the Company.

More specifically, the Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, where they cannot be avoided, ensure that their clients (including the Company) are fairly treated.

The Management Company will adopt and implement policies for the prevention of conflict of interests as foreseen by applicable rules and regulations.

### **Possible Effect of Substantial Redemptions**

If a substantial number of shares are redeemed at one time, the Company may have to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund those redemptions. The Company may find it difficult to liquidate its positions on favourable terms. This could result in losses or a decrease in the Net Asset Value of the Company.

### **Cross Class Liability**

There is a risk that the assets attributable to one Class may be applied to meet any claims by the Company's creditors of other Classes within the same Sub-Fund if the liabilities of another Class within the relevant Sub-Fund exceed the assets of that other Class. Thus the assets of a solvent Class may be at risk with respect to, and may be used to satisfy the liabilities of, an insolvent Class within the same Sub-Fund.

### **Emerging countries and developing markets**

The emerging markets in which certain Sub-Funds may invest only have a legal, judicial and regulatory framework that is under construction and great legal insecurity persists for local market operators and their foreign counterparts. Certain markets carry within them considerable risks for investors, who as a result should ensure that they are aware of these risks before investing and that the investment contemplated is in fact suitable for them.

Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about

issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

### **Operational Risk**

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

## **DISSOLUTION AND LIQUIDATION OF THE COMPANY**

The duration of the Company is unlimited and dissolution of the Company is decided upon by an extraordinary shareholders' meeting in the conditions required by law to amend the Articles.

If the capital of the Company falls below two thirds of the minimum capital, the Board must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed and at which decisions shall be taken by a simple majority of the shares represented at the meeting. If the capital of the Company falls below one quarter of the minimum capital, the Board must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed and the dissolution may be resolved by shareholders holding one quarter of the shares represented at the meeting.

The general meeting shall be convened so that it is held within a period of forty days from the time at which the loss was ascertained by the Board.

In the event of dissolution of the Company, liquidation shall be carried out by one or several liquidators named by the meeting of shareholders deciding such dissolution and which shall determine their powers and their remuneration. The net proceeds of liquidation corresponding to each Class of shares shall be distributed by the liquidators to the holders of shares of each Class in proportion to their holding of shares of such Class.

The amounts not claimed by the shareholders at the time of closure of the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg where they will be available to them for the period established by law. At the end of such period unclaimed amounts will return to the Luxembourg State.

## **LIQUIDATION, MERGER AND CONSOLIDATION /SPLIT OF SUB-FUNDS OR CLASSES**

### **1. Liquidation of Sub-Funds or Classes**

A general meeting of shareholders of a Sub-Fund may decide to cancel shares in a given Sub-Fund and refund shareholders for the value of their shares. This general meeting will deliberate without any quorum requirement and the decision will be taken by a majority of the votes cast. As soon as the decision to wind up a Sub-Fund is taken, the issue, redemption or conversion of shares in this Sub-Fund is prohibited and shall be deemed void.

If the net assets of a Sub-Fund or a Class fall below the equivalent of 5 million euros or if, in the opinion of the Board, significant changes in the political or economic situation render this decision necessary, in order to proceed to an economic rationalisation or if the interests of the shareholders of a Sub-Fund or a Class of shares so require, the Board may decide on a forced redemption of the remaining shares in the Sub-Fund or Class of shares concerned without any approval of the shareholders being necessary. In this case, a notice relating to the closing of the Sub-Fund or the Class of shares will be sent to all the shareholders of this Sub-Fund or Class of shares. Unless the Board otherwise decide in the interest of shareholders or to ensure the equal treatment of shareholders, the shareholders of the relevant Sub-Fund may continue to request the redemption or conversion of their shares free of charge until the effective date of the liquidation, knowing however that the redemption or conversion price will include the liquidation costs.

The amounts not claimed by the shareholders at the Depository Bank at the time of the closure of the liquidation will be deposited at the *Caisse de Consignation* in Luxembourg where they will be available to them for the period established by law. At the end of such period unclaimed amounts will reverse to the Luxembourg State.

## 2. Merger of Sub-Funds

In the same circumstances as provided above for the liquidation of Sub-Funds, any merger of a Sub-Fund with another Sub-Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board unless the Board decides to submit the decision for the merger to the meeting of shareholders of the Sub-Fund concerned. In the other circumstances, the general meeting of shareholders may decide to contribute the assets and liabilities of a Sub-Fund to another UCITS in exchange for shares of that UCITS. No quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of shareholders for which the quorum and majority required for the amendments of the Articles shall apply. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## SHAREHOLDER INFORMATION

The latest price for each Class of shares can be obtained at the registered office of the Company on each Valuation Day. Such prices may also be published in such other newspaper(s) as the Board may from time to time determine.

Audited reports in respect of the preceding financial year and unaudited semi-annual reports of the Company will be made available at the registered office of the Company in Luxembourg. The audited reports and semi-annual reports will provide information on each Sub-Fund and, on a consolidated basis, the Company as a whole.

The aforesaid reports will comprise consolidated accounts of the Company expressed in Euro as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.



At the end of each half-year, the Company will publish a semi-annual report including, inter alia, the composition of the portfolio, the movements in the portfolio over the period, the number of shares in circulation and the number of shares issued and redeemed since the last publication.

The following documents may be consulted at the registered office of the Company, 11-13 Boulevard de la Foire, L-1528 Luxembourg:

- i) the agreement between the Company and the Management Company;
- ii) the agreement between the Company and the Depositary Bank;
- iii) the agreement between the Company, the Management Company and the Administrative Agent, Paying Agent, Registrar and Transfer Agent and Domiciliary Agent;
- iv) the agreement between the Company and the Investment Advisor;

The following documents are also available, free of charge, and copy thereof may be obtained at the registered office of the Company:

- i) the Articles;
- ii) the annual and semi-annual reports of the Company;
- iii) the Prospectus; and
- iv) the KIIDs.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation to the investment management and administration of the Company.

### **Queries and Complaints**

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Management Company.

## **EU BENCHMARKS REGULATION**

Regulation (EU) 2016/1011 (also known as the "EU Benchmarks Regulation") requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmarks Regulation) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available on request and free of charge at the registered office of the Management Company.

The following benchmarks are used by the Sub-Funds indicated in the table below for the purpose of the performance fee calculation.

<b><u>Sub-Funds</u></b>	<b><u>Benchmark</u></b>
<u>Vector - Navigator</u>	<u>MSCI World All Countries Index in Euro</u> <u>MSCI World All Countries NR Index in Euro</u>
<u>Vector - Flexible</u>	<u>MSCI World All Countries Index in Euro</u> <u>MSCI World All Countries NR Index in Euro</u> <u>Euro OverNight Index Average (Eonia EUR)</u>

The MSCI World All Countries index in Euro and MSCI World All Countries NR index are provided by MSCI Limited, the benchmark administrator of this benchmark, which is included in the register of administrators maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. The Euro OverNight Index Average is provided by an administrator which is currently not included in the ESMA register of benchmark administrators. However, the use of this benchmark is permitted during the transitional period provided for in Article 51 of the EU Benchmarks Regulation. The prospectus will be updated at the first opportunity once further information on the benchmark administrator's authorisation becomes available.

The inclusion of any further administrator of a benchmark used by a Sub-Fund within the meaning of the EU Benchmarks Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update.

## I. VECTOR - NAVIGATOR

### 1. Name of the Sub-Fund

Vector – Navigator

### 2. Investment Objective and Policy

The Sub-Fund is a global equity fund that is actively managed on the basis of a systematic model that uses a set of fundamental and technical factors, as developed by the Investment Advisor. Throughout a full business cycle, the Sub-Fund aims to maximise its alpha while targeting a beta of close to 1 with the global equity markets (in euro). In order to achieve this, the Management Company systematically screens global equity markets in search of undervalued stocks, by assessing over 2500 companies on their growth, risk and valuation properties.

Out of this investment universe, a portfolio of at least 50 companies is constructed, based on their chances of outperforming their peers in the quarters following their selection. The Sub-Fund always aims for a well-balanced diversification of its equity holdings over different sectors and regions (developed as well as emerging), without however subjecting to formal limits, apart from the investment restrictions contained in the main part of the Prospectus.

The Sub-Fund may hold cash on an ancillary basis and invest up to 10% of its net assets in units or shares of UCITS. It may also use futures and other derivatives to hedge its currency and market exposure.

### 3. Sub-Fund's Risk Profile

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The value of an investment may be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. In particular, stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. Consequently, no assurance can be given that the investment objectives will be achieved.

More specifically, the main risks to which the investor is exposed via the Sub-Fund are the following:

- Equity risk;
- Risk of loss of capital;
- Foreign Exchange risk.

The attention of subscribers is drawn to the fact that the investment in issuers situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of this Sub-Fund. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### 4. Risk measurement approach

The global exposure of the Sub-Fund is calculated using the commitment approach.

#### 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is seven years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

#### 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

#### 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee Benchmark***
C1	Max. 1.4%	Max. 20%	0%	0%		MSCI World All Countries index in Euro (Bloomberg code MDWD)
C2	Max. 1.5%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
C3	Max. 1.5%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
C4	Max. 1.4%	Max. 20%	Max. 0.5%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
C5	Max. 1.6%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
D1	Max. 1.4%	Max. 20%	0%	0%		MSCI World All Countries index in Euro (Bloomberg code MDWD)
F	Max. 0.9%	Max. 20%	0%	0%	Restricted to certain categories of investors approved by the Board	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
P	Max. 1.4%	Max. 20%	0%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee Benchmark***
I1	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
I2	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
I3	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
I4	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
I5	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
IN	Max 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large institutional investors approved by the Board (Min. investment of 7.5 Million EUR)	MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) – 0.50% per annum****
S	Max. 1.75%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
X	Max. 0.9%	Max. 20%	Max. 2%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 1 Million EUR)	MSCI World All Countries index in Euro (Bloomberg code MDWD)

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The aggregate amount of the Management and Advisory Fee will be paid by the Sub-Fund and allocated partly to the Investment Advisor and partly to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

\*\*\*\* This Benchmark is estimated to reflect the performance of a UCITS ETF on the MSCI World All Countries (with a total expense ratio of 0.5% per annum).

The commission of the Management Company is maximum 0.15% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

## 8. Frequency of Calculation of the Net Asset Value

Daily, on each Business Day (a "Valuation Day").

Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

No "swing pricing" mechanism will apply in relation to the Sub-Fund.

## **9. Dividends**

D1 shares are Distribution Shares and will distribute dividends in accordance with section "Dividend Policy" in the main part of this Prospectus.

All other Classes of shares of this Sub-Fund are Capitalisation Shares and will not distribute any dividend.

## **10. Performance Fee**

For each Class, the Benchmark as well as the percentage of the Net Asset Value per Share of the performance fee is determined in the table above.

The Investment Advisor and the Management Company will receive an aggregated performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to max. 20% of the Net Asset Value per share performance (measured against the High Water Mark) over the Benchmark return calculated since the last High Water Mark determination date (as defined hereafter).

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

The performance fee is based on the Net Asset Value per share outperformance multiplied by the outstanding number of shares at the Valuation Day. No performance fee will be due if the performance of the Net Asset Value per share before performance fee turns out to be below the Benchmark return, since the last High Water Mark determination date.

The High Water Mark is defined as the last Net Asset Value per share on which a performance fee has actually been paid (taking into account, for the avoidance of any doubt, any cap of performance fee, as detailed below, in which case the High Water Mark (i) will correspond to the theoretical Net Asset Value per share entitling the Management Company to receive a performance fee of 2 % of the average Net Asset Value of the relevant class during the relevant calculation period and (ii) will not increase further during that calculation period. For a new class the first High Water Mark is the initial Net Asset Value per share and the first High Water Mark determination date is the launch date of the relevant Class. For existing Classes, the first High Water Mark is the Net Asset Value of the relevant Classes as of 24 September 2019.

If applicable, the dividend per share paid to the shareholders will be neutralised when the High Water Mark is determined.

Provision will be made for this performance fee on each Valuation Day. If the Net Asset Value per share underperforms the Benchmark since the last High Water Mark determination date, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. The performance fee may not exceed a total of 2% of the average Net Asset Value of the relevant Class in the calculation period, calculated using the numbers at the end of each month.

In case a shareholder redeems shares prior to the end of the calculation period, any accrued but unpaid performance fee in respect of such shares will be paid at the end of the relevant calculation period. This performance fee amount is equal to the product of the performance fee accrual, at the redemption date, by the proportion of the redeemed shares to the total number of shares at this date.

In case of subscription and/or redemption, the performance fee calculation is adjusted for any proceeds received on subscriptions and/or for any amounts paid on redemptions in accordance with the following formula which gives the net increase/decrease per share as a result of subscriptions and/or redemptions:

$$\{([\text{Net Asset Value (before performance fee) per share of the Sub-Fund at the end of the year adjusted with crystallization on redemption} + \text{cumulated dividends per share paid during the month (if any)}) / [\text{adjusted High Water Mark of the previous Valuation Day} \times \text{outstanding shares of the previous Valuation Day} + \text{net subscriptions (i.e. subscriptions} - \text{adjusted High Water Mark of previous Valuation Day} \times \text{number of redeemed shares)}] / \text{outstanding shares on the Valuation Day} - 1\} \times \text{Adjusted High Water Mark} \times \text{outstanding shares on the Valuation Day}$$

For any new Class being launched, the first calculation period shall start on the launch date of the relevant Class and terminate at the last Valuation Day of the subsequent year. The subsequent calculation periods shall start on the first Valuation Day and terminate on the last Valuation Day of each following year.

For the avoidance of doubt, a performance fee is only payable where the Net Asset Value per Share of the relevant Class exceeds its High Water Mark and the Benchmark.

Investors should note that each Class may have to bear a performance fee even where the Net Asset Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).

## II. VECTOR - FLEXIBLE

### 1. Name of the Sub-Fund

Vector – Flexible

### 2. Investment Objective and Policy

The Sub-Fund is a global allocation fund that is actively managed on the basis of a systematic model that uses a set of fundamental and technical factors, as developed by the Investment Advisor. Throughout a full business cycle, the Sub-Fund aims to maximise its alpha while targeting a beta between 0.50 and 0.70 with the global equity markets (in euro). In order to achieve this, the Management Company systematically screens global equity markets in search of undervalued stocks, by assessing over 2500 companies on their growth, risk and valuation properties.

Out of this investment universe, a portfolio of at least 50 companies is constructed, based on their chances of outperforming their peers in the quarters following their selection. The Sub-Fund always aims for a well-balanced diversification of its equity holdings over different sectors and regions (developed as well as emerging), without however subjecting to formal limits, apart from the investment restrictions contained in the main part of this Prospectus.

Depending on market conditions, the Sub-Fund may invest up to 100% of its assets in cash, bonds or money market instruments and/or may actively invest in futures and other derivatives to hedge equity market exposure.

The Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS. It may also use futures and other derivatives to hedge its currency exposure.

### 3. Sub-Fund's Risk Profile

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. The value of an investment may furthermore be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. Consequently, no assurance can be given that the investment objectives will be achieved.

More specifically, the main risks to which the investor is exposed via the Sub-Fund are the following:

- Equity risk;
- Risk of loss of capital;



- Foreign Exchange risk;
- Liquidity risk;
- Credit risk;
- Risk of investing in derivative instruments;
- Counterparty risk;
- Interest risk.

The attention of subscribers is drawn to the fact that the investment in issuers situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of this Sub-Fund. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### 4. Risk measurement approach

The global exposure of the Sub-Fund is calculated using the commitment approach.

#### 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors accepting a moderate risk and who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is five years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

#### 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

#### 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee Benchmark***
C1	Max. 1.4%	Max. 20%	0%	0%		60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
C2	Max. 1.5%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee Benchmark***
C3	Max. 1.5%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
C4	Max. 1.4%	Max. 20%	Max. 0.5%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
C5	Max. 1.6%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
D1	Max. 1.4%	Max. 20%	0%	0%		60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
F	Max. 0.9%	Max. 20%	0%	0%	Restricted to certain categories of investors approved by the Board	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
P	Max. 1.4%	Max. 20%	0%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)
I1	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
I2	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
I3	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
I4	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
I5	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
IN	Max. 0.75%	Max. 20%	Max. 0.5%	0%	Restricted to certain categories of large institutional investors approved by the Board (Min. investment of 7.5 Million EUR)	60% of (MSCI World All Countries NR index in Euro (Bloomberg code NDEEWNR) - 0.50% per annum) + 40% Eonia EUR (Bloomberg code EONCAPL7)****
S	Max. 1.75%	Max. 20%	Max. 3%	0%	Restricted to certain distributors	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee Benchmark***
X	Max. 0.90%	Max. 20%	Max. 2%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 1 Million EUR)	60% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 40% Eonia EUR (Bloomberg code EONCAPL7)

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The aggregate amount of the Management and Advisory Fee will be paid by the Sub-Fund and allocated partly to the Investment Advisor and partly to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

\*\*\*\* This Benchmark is estimated to reflect the performance of a UCITS ETF on the MSCI World All Countries (with a typical total expense ratio of 0.5% per annum).

The commission of the Management Company is maximum 0.15% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

#### 8. Frequency of Calculation of the Net Asset Value

Daily, on each Business Day (a "Valuation Day"). Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

#### 9. Dividends

D1 shares are Distribution Shares and will distribute dividends in accordance with section "Dividend Policy" in the main part of this Prospectus.

All other Classes of shares of this Sub-Fund are Capitalisation Shares and will not distribute any dividend.

#### 10. Performance Fee

For each Class, the Benchmark as well as the percentage of the Net Asset Value per Share of the performance fee is determined in the table above.

The Investment Advisor and the Management Company will receive an aggregated performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to max. 20% of the Net Asset Value per share performance (measured against the High Water Mark) over the Benchmark return calculated since the last High Water Mark determination date (as defined hereafter).

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

The performance fee is based on the Net Asset Value per share outperformance multiplied by the outstanding number of shares at the Valuation Day. No performance fee will be due if the performance of the Net Asset Value per share before performance fee turns out to be below the Benchmark return, since the last High Water Mark determination date.

The High Water Mark is defined as the last Net Asset Value per share on which a performance fee has actually been paid (taking into account, for the avoidance of any doubt, any cap of performance fee, as detailed below, in which case the High Water Mark (i) will correspond to the theoretical Net Asset Value per share entitling the Management Company to receive a performance fee of 2 % of the average Net Asset Value of the relevant class during the relevant calculation period and (ii) will not increase further during that calculation period. For a new class the first High Water Mark is the initial Net Asset Value per share and the first High Water Mark determination date is the launch date of the relevant Class. For existing Classes, the first High Water Mark is the Net Asset Value of the relevant Classes as of 24 September 2019.

If applicable, the dividend per share paid to the shareholders will be neutralised when the High Water Mark is determined.

Provision will be made for this performance fee on each Valuation Day. If the Net Asset Value per share underperforms the Benchmark since the last High Water Mark determination date, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. The performance fee may not exceed a total of 2% of the average Net Asset Value of the relevant Class in the calculation period, calculated using the numbers at the end of each month.

In case a shareholder redeems shares prior to the end of the calculation period, any accrued but unpaid performance fee in respect of such shares will be paid at the end of the relevant calculation period. This performance fee amount is equal to the product of the performance fee accrual, at the redemption date, by the proportion of the redeemed shares to the total number of shares at this date.

In case of subscription and/or redemption, the performance fee calculation is adjusted for any proceeds received on subscriptions and/or for any amounts paid on redemptions in accordance with the following formula which gives the net increase/decrease per share as a result of subscriptions and/or redemptions:

$$\{([\text{Net Asset Value (before performance fee) per share of the Sub-Fund at the end of the year adjusted with crystallization on redemption} + \text{cumulated dividends per share paid during the month (if any)}]/[\text{adjusted High Water Mark of the previous Valuation Day} \times \text{outstanding shares of the previous Valuation Day} + \text{net subscriptions (i.e. subscriptions} - \text{adjusted High Water Mark of previous Valuation Day} \times \text{number of redeemed shares)}]/\text{outstanding shares on the Valuation Day}) - 1\} \times \text{Adjusted High Water Mark} \times \text{outstanding shares on the Valuation Day}$$

For any new Class being launched, the first calculation period shall start on the launch date of the relevant Class and terminate at the last Valuation Day of the subsequent year. The subsequent calculation periods shall start on the first Valuation Day and terminate on the last Valuation Day of each following year.

For the avoidance of doubt, a performance fee is only payable where the Net Asset Value per Share of the relevant Class exceeds its High Water Mark and the Benchmark.

Investors should note that each Class may have to bear a performance fee even where the Net Asset Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).

### III. VECTOR – TOP MANAGERS MIXED

**1. Name of the Sub-Fund**

Vector – Top Managers Mixed

**2. Investment Objective and Policy**

Vector Top Managers Mixed is a fund of fund which aims to achieve capital growth in the medium term. The Sub-Fund typically invests more than 80% (and always at least 50%) of its holdings in other investment funds that have a flexible, mixed investment policy. A mixed fund typically invests in a mix of different asset-classes such as equities, bonds, cash and alternative assets whereas a flexible fund tends to shift actively between these different asset classes, depending on prevailing market conditions. The assets of the Sub-Fund that are not invested in mixed, flexible funds may be invested in other eligible types of underlying UCIs (bond, equity cash or other) or directly in equity or bond markets, and in cash or cash equivalents on an ancillary basis.

**3. Sub-Fund's Risk Profile**

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The value of an investment may be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. In particular, stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. Consequently, no assurance can be given that the investment objectives will be achieved.

More specifically, the main risks to which the investor is exposed via the Sub-Fund are the following:

- Equity risk;
- Risk of loss of capital;
- Foreign Exchange risk.

The attention of subscribers is drawn to the fact that the investment in UCIs situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of this Sub-Fund. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### 4. Risk measurement approach

The global exposure of the Sub-Fund is calculated using the commitment approach.

#### 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors accepting a moderate risk and who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is four years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

#### 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

#### 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*
I-CAP	Max. 0.75%	No	Max. 2%	0%
I-DIV	Max. 0.25%	No	Max. 2%	0%
A-CAP	Max. 1.20%	No	Max. 2%	Max. 0.25% for the Class
A-DIV	Max. 1.20%	No	Max. 2%	Max. 0.25% for the Class

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The aggregate amount of the Management and Advisory Fee will be paid by the Sub-Fund and allocated partly to the Investment Advisor and partly to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

The commission of the Management Company is maximum 0.18% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

#### 8. Frequency of Calculation of the Net Asset Value

Weekly, with Valuation Day every last Business Day of the week.

Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

#### 9. Dividends

I-CAP and A-CAP shares are Capitalisation Shares and will not distribute any dividend.

I-DIV and A-DIV shares are Distribution Shares and will distribute dividend in accordance with section "Dividend Policy" of this Prospectus.

**10. Performance Fee**

No performance fee.



## IV. VECTOR – ABSOLUTE ALPHA

### 1. Name of the Sub-Fund

Vector – Absolute Alpha

### 2. Investment Objective and Policy

The Sub-Fund is a Long/Short equity market-neutral fund, investing globally in developed markets as well as in South Africa and Turkey. The aim of the Sub-Fund is to provide investors with long-term capital growth from diversified and actively managed portfolios by buying equity related instruments (including derivatives) or equities considered undervalued or attractive and by taking short exposure in equities considered overvalued or less attractive.

The Sub-Fund is actively managed on the basis of a set of fundamental and technical valuation models developed by the Investment Advisor. Throughout a full business cycle, the Sub-Fund aims to maximise its alpha while targeting a beta of close to 0 with the global equity markets. In order to achieve this, the Management Company systematically screens global equity markets in search of undervalued and overvalued stocks, by assessing over 2500 companies on their growth, risk and valuation properties.

Out of this investment universe, a portfolio with long and short exposure to at least 50 companies is constructed, based on their chances of outperforming (for long exposure) or underperforming (for short exposure) their peers in the months following their selection. The Sub-Fund always aims for a well-balanced diversification of its exposure over different sectors and regions, without however subjecting to formal limits, apart from the investment restrictions contained in the main part of this Prospectus.

The Sub-Fund will invest primarily in equities and financial derivative instruments (including but not limited to contracts for differences and total return swaps on listed equities) but may also hold, on an ancillary basis, bonds, cash, cash equivalents and short-dated instruments. Investments in bonds will however be limited to 10% of the Sub-Fund's net assets and will be limited to investment grade bonds.

The Sub-Fund may also invest up to 10% of its net assets in units or shares of UCITS.

The Sub-Fund may make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet its investment objectives.

If the Management Company considers that a particular security is overrated and likely to decline in value, it may initiate a short position by using financial derivative instruments to achieve the same economic effect of selling the security short. The Management Company may also decide to maintain a short position on an entire market typically through the use of index derivatives. Such positions may be taken irrespective of whether or not the Sub-Fund has invested in that particular market, in accordance with the Sub-Fund's investment objectives.

If deemed appropriate, the Management Company may decide to modify the total market exposure of the portfolio. Derivative instruments may also be used to gain exposure to certain markets or individual securities or to manage cash flows. Leverage may result from the use of derivative instruments related to individual securities and indices.

The combined portfolio of direct and indirect investments will at all times be diversified. Cash settled financial derivative instruments used to achieve long and short positions may include (but are not limited to) over-the-counter and/or exchange traded options, equity index and single stock futures, contracts for difference, forward contracts, swaps or a combination thereof. Short positions by the Sub-Fund will be achieved through the use of cash settled financial derivative instruments.

The Sub-Fund will hold sufficient liquid assets (including, if applicable, sufficiently liquid long positions) to cover at all times its obligations arising from its financial derivative positions (including synthetic short positions). Where exposure may be obtained entirely through the use of financial derivative instruments, the Sub-Fund may as a result hold up to 100% of its assets in cash, bonds, money market Instruments, as well as money market funds (up to 10%) qualifying as UCITS or other UCIs.

Investments in other asset classes will be used by the Management Company to manage residual active risk exposures in the portfolio.

### **3. Sub-Fund's Risk Profile**

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The value of an investment may be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. In particular, stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. Consequently, no assurance can be given that the investment objectives will be achieved.

More specifically, the main risks to which the investor is exposed via the Sub-Fund are the following:

- Equity risk;
- Counterparty risk;
- Liquidity risk;
- Risk of loss of capital;
- Foreign Exchange risk;
- Risk of investing in derivative instruments (contract for difference and total return swap);
- Credit risk;
- Interest risk.

The attention of subscribers is drawn to the fact that the investment in issuers situated in some emerging countries is included in the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of this Sub-Fund. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### **4. Exposure to total return swaps**

A maximum of 400% of the net assets of the Sub-Fund may be used to enter into total return swaps.

The Sub-Fund generally expects that 200% to 300% of its net assets will be used to enter into total return swaps.

#### **5. Risk measurement approach**

The global exposure of the Sub-Fund is calculated using the absolute value at risk approach.

The expected level of leverage for the Sub-Fund should amount to 300%. The expected level of leverage is an estimate only and may be subject to higher leverage levels. The leverage calculation method used is the sum of notionals. It includes the notional exposure associated with financial derivative instruments but does not include the underlying investments of the Sub-Fund which make up 100% of total net assets.

The global risk associated with investments of the Sub-Fund (Longs and Shorts) cannot exceed 400% of the net assets of the Sub-Fund.

#### **6. Profile of the Typical Investor**

The Sub-Fund is suitable for investors seeking capital growth as part of a diversified investment strategy, accepting a moderate risk and who accept, if applicable, a medium-term decline in the net asset value of their portfolio. It is also most likely to be suitable for investors who are comfortable with the use of additional long and short exposures to construct a portfolio with an unconstrained risk profile relative to the relevant equity market index. Shorting and leverage techniques have the potential to deliver additional growth. However, these techniques can introduce additional risk, making an investment in the Sub-Fund appropriate only for experienced investors with a longer term investment horizon.

The minimum recommended investment horizon is five years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

## 7. Reference Currency

The reference currency of the Sub-Fund is the Euro.

## 8. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee benchmark***
C1	Max. 1.75%	Max. 20%	0%	Max. 0.3% for the Class		4% per year
C3	Max. 1.85%	Max. 20%	0%	Max. 0.3% for the Class	Restricted to certain distributors	4% per year
C4	Max. 1.75%	Max. 20%	0%	Max. 0.3% for the Class	Restricted to certain distributors	4% per year
C SEED	Max. 1.5%	Max. 15%	0%	Max. 1% for the Class	Restricted to certain categories of investors approved by the Board	4% per year
F	Max. 1.1%	Max. 20%	0%	0%	Restricted to certain categories of investors approved by the Board	4% per year
P	Max. 1.75%	Max. 20%	0%	Max. 0.3% for the Class	Restricted to certain distributors	4% per year
I1	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
I2	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
I3	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
I4	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
I5	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
IN	Max. 0.9%	Max. 20%	Max. 0.5%	Max. 0.3% for the Class	Restricted to certain categories of large institutional investors approved by the Board (Min. investment of 7.5 Million EUR)	4% per year
I SEED	Max. 0.8%	Max. 15%	0%	Max. 1% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 3 Million EUR)	4% per year
X	Max. 1.1%	Max. 20%	Max. 2%	Max. 0.3% for the Class	Restricted to certain categories of large investors approved by the Board (Min. investment of 1 Million EUR)	4% per year

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The aggregate amount of the Management and Advisory Fee will be paid by the Sub-Fund and allocated partly to the Investment Advisor and partly to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

The commission of the Management Company is maximum 0.15% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

## **9. Frequency of Calculation of the Net Asset Value**

Weekly, as of the last Business Day of each week (a "Valuation Day"). Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

## **10. Dividends**

All shares of this Sub-Fund are Capitalisation Shares and will not distribute any dividend.

## **11. Performance Fee**

For each Class, the Benchmark as well as the percentage of the Net Asset Value per Share of the performance fee is determined in the table above. The Benchmark is a fixed hurdle rate per annum calculated pro rata temporis.

The Investment Advisor and the Management Company will receive an aggregated performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to, depending on the Class, max. 15% or max. 20% of the Net Asset Value per share performance (measured against the High Water Mark) over the Benchmark return calculated since the last High Water Mark determination date (as defined hereafter).

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

The performance fee is based on the Net Asset Value per share outperformance multiplied by the outstanding number of shares at the Valuation Day. No performance fee will be due if, the performance of the Net Asset Value per share before performance fee turns out to be below the Benchmark return, since the last High Water Mark determination date.

The High Water Mark is defined as the last Net Asset Value per share on which a performance fee has actually been paid (taking into account, for the avoidance of any doubt, any cap of performance fee, as detailed below, in which case the High Water Mark (i) will correspond to the theoretical Net Asset Value per share entitling the Management Company to receive a performance fee of 2 % of the average Net Asset Value of the relevant class during the relevant calculation period and (ii) will not increase further during that calculation period. The first High

Water Mark is the initial Net Asset Value per share. The first High Water Mark determination date is the launch date of the relevant Class.

If applicable, the dividend per share paid to the shareholders will be neutralised when the High Water Mark is determined.

Provision will be made for this performance fee on each Valuation Day. If the Net Asset Value per share underperforms the Benchmark since the last High Water Mark determination date, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. The performance fee may not exceed a total of 2% of the average Net Asset Value of the relevant Class in the calculation period, calculated using the numbers at the end of each month.

In case a shareholder redeems shares prior to the end of the calculation period, any accrued but unpaid performance fee in respect of such shares will be paid at the end of the relevant calculation period. This performance fee amount is equal to the product of the performance fee accrual, at the redemption date, by the proportion of the redeemed shares to the total number of shares at this date.

In case of subscription and/or redemption, the performance fee calculation is adjusted for any proceeds received on subscriptions and/or for any amounts paid on redemptions in accordance with the following formula which gives the net increase/decrease per share as a result of subscriptions and/or redemptions:

$$\{([\text{Net Asset Value (before performance fee) per share of the Sub-Fund at the end of the year adjusted with crystallization on redemption} + \text{cumulated dividends per share paid during the month (if any)}) / [\text{adjusted High Water Mark of the previous Valuation Day} \times \text{outstanding shares of the previous Valuation Day} + \text{net subscriptions (i.e. subscriptions} - \text{adjusted High Water Mark of previous Valuation Day} \times \text{number of redeemed shares)}] / \text{outstanding shares on the Valuation Day} - 1\} \times \text{Adjusted High Water Mark} \times \text{outstanding shares on the Valuation Day}$$

The first calculation period shall start three (3) months after the launch date of the relevant Class and terminate at the last Valuation Day of the ongoing year. The subsequent calculation periods shall start on the first Valuation Day and terminate on the last Valuation Day of each following year.

For the avoidance of doubt, a performance fee is only payable where the Net Asset Value per Share of the relevant Class exceeds its High Water Mark and the Benchmark.

## APPENDIX II – ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

No notification pursuant to Sec. 310 of the German Capital Investment Code (*Kapitalanlagegesetzbuch - KAGB*) has been filed for the following Sub-Fund and the shares in this Sub-Fund may not be marketed to investors in the Federal Republic of Germany:

- **Vector – Top Managers Mixed**
- **Vector – Absolute Alpha.**

Paying and Information Agent of the Company in the Federal Republic of Germany is  
Marcard, Stein & Co AG  
Ballindamm 36  
20095 Hamburg  
Germany

(the "**German Paying and Information Agent**")

Requests for the redemption or conversion of Shares, which may be distributed in the Federal Republic of Germany, may be submitted to the German Paying and Information Agent.

Requests for the redemption and switching of Shares, which may be distributed in the Federal Republic of Germany, may be submitted to the German Paying and Information Agent. Redemption proceeds and dividends, if any, may be paid, and any other payments may be made, to Shareholders upon their request through the German Paying and Information Agent.

The Prospectus, the Key Investor Information Documents, the Articles, the annual and semi-annual reports – each in paper form - as well as the issue and redemption prices and any conversion prices and any notices to Shareholders are available free of charge from the German Paying and Information Agent.

Furthermore, the agreements and other documents listed under "Shareholder Information" of this Prospectus are available for inspection free of charge during normal business hours from the German Paying and Information Agent.

The issue, redemption and conversion prices are published on [www.fundsquare.net](http://www.fundsquare.net) and on [www.fundinfo.com](http://www.fundinfo.com). Any notices to Shareholders will be sent to the registered Shareholders by post. An additional notice will be published on [www.fundinfo.com](http://www.fundinfo.com) if one of the following events occurs:

- Suspension of redemptions of Shares;
- Termination of the management of the Company or liquidation of a Sub-Fund;
- Changes to the Articles that are inconsistent with the existing investment principles, affect significant investor rights, or relate to remuneration or compensation of expenses (stating the background and the investors' rights);
- Merger of a Sub-Fund; or
- Conversion of a Sub-Fund into a feeder fund.

## **Taxation**

Prospective investors should be aware that the relevant tax laws may change – possibly with retroactive effect. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an interpretation or application to be correct that differs from the current one. Prospective investors are therefore advised to consult their tax advisers regarding the tax implications of the acquisition, holding or transfer of the shares.