

## **ISSUING DOCUMENT**

### **PCL RAIF**

A Luxembourg umbrella investment company with variable capital  
(*société d'investissement à capital variable-SICAV*) organized as a reserved alternative investment fund  
(*fonds d'investissement alternatif réservé*)  
in the form of a public limited liability company (*société anonyme*)

October 2018  
Updated July 2024

**PCL RAIF is a reserved alternative investment fund (fonds d'investissement alternatif réservé) governed by the RAIF Law, as defined hereinafter), which is not subject to the supervision of the Luxembourg supervisory authority of the financial sector, Commission de Surveillance du Secteur Financier (CSSF).**

## PCL RAIF

### INTRODUCTION

**PCL RAIF** (the "**Company**") is registered as a Luxembourg open-ended umbrella structured investment company with variable capital (*société d'investissement à capital variable*) organized as a reserved alternative investment fund (*fonds d'investissement alternatif réservé*) and subject to the law on reserved alternative investment fund dated 14 July 2016 as amended. The Company qualifies as an alternative investment fund (AIF) for the purposes of the law dated 12 July 2013 implementing the European Directive 2011/61/EU on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC, and Regulations (EC) No 1060/2009 and (EU) No 1095/2010. The Company is registered in the Grand Duchy of Luxembourg in the form of a public limited liability company (*société anonyme*) under number B228688.

As of August 1, 2020, the Company has appointed Pure Capital S.A. as external alternative investment fund manager in accordance with article 4 (1) a) of the AIFM Law and article 4 (2) a) of the RAIF Law. Pure Capital S.A. performs its investment management services pursuant to the provisions of article 33 of the AIFM Law.

This registration constitutes no approval or refusal by an authority of Luxembourg as concerns the suitability or accuracy of this Issuing Document or of the assets held by the Company. Any affirmation to the contrary is unauthorized and unlawful.

The purpose of the Company is to invest the funds available in a wide range of securities, and other assets eligible under the RAIF Law, with the objective of spreading investment risks and affording its Shareholders the results of the management of its assets.

The Shares (as defined below) are offered only to Well-Informed Investors (as defined below) on the basis of the information and representations contained in this Issuing Document.

Shares may be offered, sold or otherwise made available to any retail investor in the EEA.

Consequently, a key information document is required by the PRIIPS Regulation for offering or selling or otherwise making them available to retail investors in the EEA.

A PRIIPS key information document will be made available to retail investors, in good timing, before any subscription in the relevant Sub-fund. The PRIIPS key information document can be obtained free of charge at the register office of the Company.

The Board and the AIFM accept responsibility for the information contained in this Issuing Document. The Directors (as defined below), whose names appear in "Organization of the Company" of this Issuing Document, have taken all reasonable care to ensure that the facts stated herein be correctly and fairly presented with respect to all questions of importance and that no important fact, the omission of which would make misleading any of the statements herein, be omitted.

### ELIGIBILITY OF INVESTORS

The Shares may under no circumstances be beneficially or legally held or owned by any person, which is not a Well-Informed Investor (*investisseur averti*) which qualifies as such as per article 2 of the RAIF Law.

A Well-Informed Investor is an institutional investor, a professional investor or any other investor who:

(a) has confirmed in writing that it adheres to the status of “Well-Informed Investor” (*investisseur averti*); and

(b) either invests a minimum of EUR 100,000 (one hundred twenty five thousand euro) (or its equivalent in another currency) in the Company; or has obtained an assessment certifying its expertise, experience and knowledge in adequately appraising an investment in the Company made by:

- (i) a credit institution within the meaning of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;
- (ii) by an investment firm within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;
- (iii) by a management company within the meaning of 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; or
- (iv) by an Authorized AIFM certifying his expertise, his experience and his knowledge in adequately appraising an investment in the Company.

The exception of article 2 (2) of the RAIF Law is applicable.

The Company, at its full discretion, will refuse the issue or transfer of Shares, if there is not sufficient evidence that the person to whom the Shares are sold or transferred to is a Well-Informed Investor.

Considering the qualification of a subscriber or a transferee as a Well-Informed Investor, the Company will have due regard to the applicable laws and regulations. Well-Informed Investors subscribing or purchasing in their own name, but on behalf of a third party, must certify that such subscriptions or purchases are made on behalf of a Well-Informed Investor as aforesaid and the Company may require at its sole discretion, evidence that the beneficial owner of the Shares is a Well-Informed Investor, and in the absence of sufficient or satisfactory evidence, the Company, at its sole discretion, may refuse the subscription or transfer of Shares.

## **RESTRICTIONS IN RESPECT OF OFFERING AND OWNERSHIP OF SHARES**

The distribution of this Issuing Document and the offering or purchase of the Shares may be restricted in certain jurisdictions. No person receiving a copy of this Issuing Document in any such jurisdiction may treat this Issuing Document as constituting an offer or invitation to them to purchase or subscribe for Shares unless in the relevant jurisdiction such an offer or invitation could lawfully be made to them. Accordingly, this Issuing Document does not constitute an offer or invitation to anyone in any jurisdiction in which such offer or invitation is not lawful or in which the person making such offer or invitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or invitation. It is the responsibility of any person in possession of this Issuing Document to inform him/herself of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Company has not been registered under the U.S. Investment Company Act of 1940. In addition, the Shares of each Sub-fund (as defined below) have not been registered under the U.S. Securities Act of 1933, as amended, and may not be and will not be offered for sale or sold in the United States of America, its territories or possessions or to a US Person (as defined below).

US Persons may not apply for subscription of Shares. Holders of Shares are required to notify the Board of any change in their non-US Person status. Prospective investors are advised to consult their legal counsel prior to investing in Shares in order to ascertain their status as non-US Persons.

The AIFM reserves the right to:

- (i) refuse on a discretionary basis all or part of a subscription application for Shares;
- (ii) repurchase, at any time, Shares held by a Shareholder (as defined below) not authorized to buy or own the Shares and return the proceeds to such Shareholder as set forth in this Issuing Document.

In Luxembourg, the Shares may only be marketed to Professional Investors (as defined hereinafter).

### **IMPORTANT INFORMATION**

Prospective investors who are in any doubt about the contents of this Issuing Document or the annual reports of the Company should, as well as, in general inform themselves and consult their financial and tax adviser as to the possible tax consequences, the legal requirements and any foreign exchange restriction or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares.

### **SUSTAINABLE FINANCE DISCLOSURE REGULATION (EU) 2019/2088 (THE “REGULATION”)**

The Regulation establishes harmonized rules for the Company on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability information.

Environmental, social and governance (“ESG”) issues may represent a risk defined as an event or situation in the ESG fields which, if it occurs, could have a material adverse impact, actual or potential, on the value of the Fund's investments. The likely effects of such risks on the value of the Company's investments are essentially that the Company's investments which would have been made after taking into account sustainability factors will underperform as a result of a sustainability risk compared to one or several investments which would not have been made after taking into account such factors or that investments outperforming comparable investments are made by the Company after taking into account sustainability factors.

It should be noted that there are currently no fixed frameworks or factors to consider in assessing the sustainability of an investment. The related legal framework is still under development at European level. This lack of common standards may lead to a divergence between actors in their respective approaches to this matter and thus introduce a certain subjectivity by the same actors in the matter related to the ESG fields. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria. ESG information from third-party data providers may be incomplete, inaccurate or unavailable, which may adversely impact a Portfolio placing reliance on such data for the purposes of assessing the appropriate inclusion or exclusion of a security.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments. Article 7 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainability investment (the "Taxonomy Regulation") applies to this Sub-fund. The investments

underlying this financial product do not take into account the EU criteria for environmentally sustainability economic activities. This document and/or the website of the AIFM may be updated to include additional information.

## ORGANIZATION OF THE COMPANY

### **PCL RAIF**

A Luxembourg umbrella investment company with variable capital  
(*société d'investissement à capital variable-SICAV*)  
organized as a reserved alternative investment fund (*fonds d'investissement alternatif réservé*)  
in the form of a public limited liability company (*société anonyme*)

Registered office:

2, rue d'Arlon

L-8399, Windhof

### **Board of Directors**

#### **Directors A**

**Bernard Pons**

**Cédric Cayla**

#### **Director B**

**Isabelle Vonèche**

### **AIFM and Domiciliary Agent**

**Pure Capital S.A. (Luxembourg)**

Rue d'Arlon 2

L-8399 Windhof, Luxembourg

### **Depositary Bank and Paying Agent**

**Caceis Bank, Luxembourg Branch**

5, allée Scheffer

L-2520 Luxembourg

### **Central Administration Agent, Registrar and Transfer Agent**

**Caceis Bank, Luxembourg Branch**

5, allée Scheffer

L-2520 Luxembourg

### **Statutory Auditor Deloitte Audit**

20, Boulevard de Kockelscheuer

L-1821 Luxembourg

## TABLE OF CONTENTS

1.	Definitions.....	7
2.	General presentation of the Company.....	14
3.	Management and Administration.....	16
4.	Investment Objective and Policy of the Company.....	21
5.	Investment powers and restrictions.....	21
6.	Risk Considerations.....	23
7.	The offer .....	35
8.	Redemption of Shares.....	38
9.	Conversion of Shares .....	40
10.	Temporary suspension of subscriptions, redemptions and conversions.....	42
11.	Net Asset Value.....	42
12.	Dividends.....	45
13.	Charges and Expenses .....	45
14.	Conflict Of Interests .....	46
15.	Taxation.....	46
16.	Reports and notices.....	50
17.	Liquidation Of The Company - Termination, Division And Amalgamation Of Sub-funds Or Classes.....	50
18.	Documents Available for Inspection .....	53
19.	Data protection Policy.....	53
20.	Indemnification .....	54
	APPENDIX to the ISSUING DOCUMENT Sub-funds .....	55

## 1. DEFINITIONS

The following definitions apply throughout the Issuing Document:

<b>1915 Law</b>	the Luxembourg law dated 10 August 1915 on commercial companies, as amended
<b>Accounting Currency</b>	the currency used to draw-up the financial statements of the Company
<b>Agent</b>	Caceis Bank, Luxembourg Branch acting in its capacity as central administration agent and registrar and transfer agent
<b>AIFM</b>	Pure Capital S.A., acting as alternative investment fund manager within the meaning of the AIFM Law
<b>AIFM Directive</b>	European Directive 2011/61/EU on Alternative Investment Fund Managers and amending Directives 2003/41/EC, as amended from time to time
<b>AIFM Law</b>	The Luxembourg law dated 12 July 2013 implementing the European Directive 2011/61/EU on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as amended from time to time
<b>AIFM Regulation</b>	means the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as amended from time to time
<b>Appendix/Appendices</b>	the present appendices attached to the Issuing Document and forming integral part of the latter
<b>Articles</b>	the articles of association of the Company as amended from time to time
<b>Auditor</b>	Deloitte Audit, acting in its capacity of statutory approved auditor ( <i>réviseur d'entreprises agréé</i> ) of the Company inscribed on the public register of statutory approved auditor, as further described in section 3.7 of this Issuing Document
<b>Board</b>	the board of Directors of the Company
<b>Business Day</b>	a full bank business day in Luxembourg
<b>Class(es) of Shares/ Class(es)</b>	one or more Classes of Shares that may be available in each Sub-fund, whose assets shall be commonly invested according to the investment objective of that Sub-fund, but where a specific sale and/or redemption charge structure, fee structure, distribution policy, target investor, denomination



currency or hedging policy shall be applied as further detailed in the relevant Appendix

<b>Company</b>	PCL RAIF
<b>Conversion Dealing Day</b>	a day on which Shares of each Class may be converted, being a day prior to the Valuation Day as further detailed in the relevant Appendix or any calendar days as the Directors may from time to time prescribe and notify to Shareholders
<b>Conversion Request</b>	the written conversion request submitted to the Agent and setting forth the number of Shares or amount of a Sub-fund to be converted in Shares of another Sub-fund
<b>CSSF</b>	the Luxembourg supervisory authority of the financial sector, the <i>Commission de Surveillance du Secteur Financier</i>
<b>Cut-Off Time</b>	deadline before which written Subscription - Redemption - Conversion Requests must be received by the Agent on the Subscription/Redemption/Conversion Dealing Day as further detailed in the relevant Appendix
<b>Depository Bank</b>	<b>Caceis Bank, Luxembourg Branch</b> , having established at 5, allée Scheffer, L-2025 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209310, or such other credit institution or a professional depositories of assets other than financial instruments within the meaning of the law dated 5 April 1993 on the financial sector as may be appointed from time to time as depository of the Company.
<b>Director</b>	a member of the Board
<b>Director A</b>	a director in the category A
<b>Director B</b>	a director in the category B
<b>EEA</b>	means European Economic Area
<b>Euro/ EUR</b>	the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as the same may be amended from time to time
<b>FATCA</b>	has the meaning under section 15.5
<b>Financial Year</b>	the financial year of the Company, which ends on the 31 December of each year

<b>Independent Valuer</b>	any person or entity in charge of the performance of the valuation of the assets of the Company as further described in section 3.5 of this Issuing Document.
<b>Indemnified Person</b>	has the meaning as defined in section 20 “Indemnification”
<b>Initial Price</b>	the subscription price at which the Shares of any Class are offered during the Initial Subscription Period as further described in section 7.4 of this Issuing Document and in the relevant Appendix.
<b>Initial Subscription Period</b>	the initial subscription day or initial subscription period during which the Shares of any Class may be issued at the Initial Price as specified for each Class of any Sub-fund in the Appendices
<b>Investment Adviser(s)</b>	any person or entity as may be appointed from time to time to advise the AIFM as further described in the relevant Appendix
<b>Investment Structure</b>	has the meaning ascribed to it in section 4 “Investment Objective and Policy of the Company” of this Issuing Document
<b>Issuing Document</b>	this issuing document of the Company issued in accordance with article 38 of the RAIF Law as the same may be amended, supplemented and modified from time to time
<b>Launch Date</b>	the launch date of a Sub-fund as specified for each Sub-fund in the relevant Appendix
<b>Minimum Holding</b>	a minimum number of Shares or amount in the Reference Currency or Other Denomination Currency, which a Shareholder must hold in a given Sub-fund or Class as further detailed for the respective Sub-fund or Class in the relevant Appendix.
<b>Minimum Subscription</b>	a minimum number of Shares or amount in the Reference Currency or Other Denomination Currency, which a Shareholder must subscribe in a Sub-fund or Class as further detailed for the respective Sub-fund or Class in the relevant Appendix
<b>Multilateral Trading Facility/ MTF</b>	means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third- party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of the Directive 2014/65/EU on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Net Asset Value/NAV</b>	the net asset value of the Company, a given Sub-fund or Class (as the case may be) as determined in accordance with the Articles and section 11 “Net Asset Value” of this Issuing Document.

	the Articles and section 11 "Net Asset Value" of this Issuing Document
<b>Other Denomination Currency</b>	another denomination currency in which the Board may decide to calculate the Net Asset Value per Share of one or more Sub-fund(s)/Class(es) in addition to the Reference Currency as further detailed for the respective Sub-fund(s)/Class(es) in the relevant Appendix. The Net Asset Value calculated in an other denomination currency is the equivalent of the Net Asset Value in the Reference Currency converted at the prevailing exchange rate
<b>Performance Fee</b>	a fee that may be applied on each Shares in case of appreciation in value and to be computed and paid as further detailed in the relevant Appendix
<b>Performance Fee Calculation Method</b>	means the Performance Fee Calculation Method that may be applied for the computation of the Performance Fee (if any) as further detailed for each Sub-Fund and/or Class in the relevant Appendix
<b>PRIIPS Regulation</b>	means Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products
<b>Professional Investor</b>	means an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to Directive 2014/65/EU on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Prohibited Person(s)</b>	any person, firm, partnership or corporate body, if in the sole opinion of the AIFM/Board such holding may be detrimental to the interests of the existing Shareholders or of the Company, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred; the term "Prohibited Person" includes any person, firm, partnership or corporate body, which does not meet the definition of Well-Informed Investor as described below or which qualifies as a US Person
<b>RAIF</b>	means reserved alternative investment fund
<b>RAIF Law</b>	the Luxembourg law of 23 July 2016 relating to reserve alternative investment funds, as amended from time to time
<b>Redemption Dealing Day</b>	a day on which Shares of each Class may be redeemed, being a day prior to the Valuation Day as further detailed in the relevant Appendix or any calendar days as the Directors may from time to time prescribe and notify to Shareholders

<b>Redemption Price</b>	the price at which the Shares are redeemed, as further described in section 8 “Redemption of Shares” of this Issuing Document and in the Appendices
<b>Redemption Request</b>	the written redemption request submitted to the Agent in respect of a Sub-fund on a specific Class of Shares and setting forth the number of Shares to be redeemed by the Company
<b>Reference Currency</b>	the currency in which the Net Asset Value of each Sub-fund is denominated, as specified for each Sub-fund in the relevant Appendix
<b>Regulated Market(s)</b>	a market within the meaning of Article 4(1)21 of Directive 2014/65/EU on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU and any other market which is regulated, operates regularly and is recognized and open to the public.
<b>Retail Investor</b>	means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU;
<b>Settlement Day</b>	the Business Day on which the Subscription Price, Redemption Price or the consideration for Conversion as the case may be is fully paid as further detailed in the relevant Appendix
<b>SFT</b>	means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell- buy back transaction; (iv) a margin lending transaction as defined under the SFTR
<b>SFTR</b>	means 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 and amending Regulation (EU) No 648/2012
<b>Share(s)</b>	a share of any Class of any Sub-fund in the capital of the Company, the details of which are specified in the Appendices
<b>Shareholder(s)</b>	a holder of one or more Shares of any Class of any Sub-fund in the capital of the Company
<b>Sub-fund</b>	any sub-fund of the Company whereby a distinct pool of assets and liabilities managed according to a specific investment objective, as further defined in section 2.3 “Sub- funds” and in the Appendices
<b>Subscription Charge</b>	Financial intermediaries are entitled to the subscription charge, which can be partly or fully waived at the discretion of such intermediaries. The subscription charge attributed to each Class of Share is specified for each Sub-fund in the relevant Appendix

<b>Subscription Dealing Day</b>	a day on which Shares of each Class may be subscribed, being a day prior to the Valuation Day as further detailed in the relevant Appendix or any calendar days as the Directors may from time to time prescribe and notify to Shareholders
<b>Subscription Price</b>	the subscription price at which the Shares of any Class are offered after the end of the Initial Subscription Period as further described in section 7.4 "Subscription for Shares" of this Issuing Document and in the Appendices
<b>Subscription Request</b>	the written subscription request submitted to the Agent with all relevant documents to qualify as Shareholder submitted to the Agent in respect of a Sub-fund on a specific Class of Shares and setting forth the number of Shares or amount to be subscribed by such prospective investor
<b>UCI(s)</b>	regulated investment fund that is subject to risk diversification rules
<b>US Dollar</b>	the currency of the United States of America
<b>US Person(s)</b>	a citizen or resident of the United-States of America, a corporation, partnership or any other entity created in or under the laws of the United States of America or any person falling within the definition of the term "United States Person" under the 1933 Act
<b>Valuation Day</b>	a Business Day on which the Net Asset Value per Share of any Class of any Sub-fund is computed, upon the frequency set forth in the relevant Appendix and at least once a year in accordance with the RAIF Law
<b>Well-Informed Investor</b>	<p>within the meaning of the RAIF Law, a well-informed investor shall be an institutional investor, a professional investor or any other investor who meets the following conditions:</p> <p>a) he has confirmed in writing that he adheres to the status of well-informed investor, and</p> <p>b) (i) he invests a minimum of EUR 100,000 in the RAIF, or</p> <p>(ii) he has been the subject of an assessment made by a credit institution within the meaning of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, by an investment firm within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and</p>

93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, or by a management company within the meaning of 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, or by an authorized alternative investment fund manager within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (hereinafter referred to as "Directive 2011/61/EU") certifying his expertise, his experience and his knowledge in adequately apprising an investment in the RAIF.

The conditions set forth in article 2 of the RAIF Law are not applicable to the managers and other individuals intervening in the management of the Company

## 2. GENERAL PRESENTATION OF THE COMPANY

The information set out under this section is a summary of the principal features of the Company and should be read in conjunction with the full text of this Issuing Document.

### 2.1 Legal Form

**PCL RAIF** is registered as a Luxembourg open-ended umbrella structured as an investment company with variable capital (*société d'investissement à capital variable*) in the form of a public limited liability company (*société anonyme*) organized as a reserved alternative investment fund (*fonds d'investissement alternatif réservé*) and in accordance with the RAIF Law and 1915 Law. The Company qualifies as an alternative investment fund (AIF) for the purposes of the AIFM Law. The Company was incorporated in Luxembourg on 15 October 2018 for an unlimited period of time and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) under number B228688. The Articles were published in the Recueil électronique des sociétés et associations (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 26 October 2018, where they are available for inspection and where copies can be made. The Articles were modified for the last time on 9 July 2021 and the consolidated version of the Articles were published in the RESA. Copies may also be obtained at the registered office of the Company.

### 2.2 Capital

The capital of the Company is always equal to its Net Asset Value. The minimum capital shall be one million two hundred and fifty thousand Euros (EUR 1,250,000.-) at all times and was reached within twelve (12) months after the date on which the Company had been incorporated as a RAIF pursuant to the RAIF Law.

The Accounting Currency of the Company is Euro (“**EUR**”).

### 2.3 Sub-funds

The Company is structured to provide Shareholders with a variety of Sub-funds of specific assets.

In accordance with article 49 of the RAIF Law, the assets and liabilities of each Sub-fund shall be segregated from the assets and liabilities of those of the other Sub-funds, with creditors having recourse only to the assets of the Sub-fund concerned and where the liabilities of a Sub-fund cannot be satisfied out of the assets of the another Sub-fund. As between the Shareholders and creditors, each Sub-fund will be deemed to be a separate entity.

The different Classes of Shares in issue or to be issued in each Sub-fund of the Company (if any) may differ inter alia in their fee structure, distribution policy, target investors or any other criteria to be determined by the AIFM.

The proceeds of the issue of Shares in respect of each Sub-fund will be invested for the exclusive benefit of the relevant Sub-fund in securities and other permitted assets in accordance with the investment policy determined by the Board from time to time in respect of the relevant Sub-fund and as set forth under the relevant Sub-fund specifications in the Appendices.

The Board may, at any time and in its discretion, decide to create additional Sub-funds whose investment objectives and policies, risk profile or other features may differ from those of the Sub-funds then existing and, in such cases, this Issuing Document will be updated accordingly.

## **2.4 Classes of Shares**

The Shares of each Sub-fund may, as the Board shall so determine from time to time, be issued in one or more Classes, whose assets shall be commonly invested pursuant to a specific investment objective of the respective Sub-fund, but where a specific sale and redemption charge structure, fee structure, investor restriction, distribution policy, hedging policy, Reference Currency or other denomination Currencies or other criteria may be applied to each such Class.

The specific characteristics of Classes available to the Shareholder in each Sub-fund are defined in the relevant Appendix to this Issuing Document. For the avoidance of doubt, reference to "Share(s)" in this Issuing Document includes references to any Class(es) when reference to specific Class(es) is not required.

The AIFM with prior approval of the Board may, at any time and in its discretion, decide to create further Classes of Shares whose features may differ from those of the existing Classes and in such cases, this Issuing Document will be updated accordingly.

Shareholders of the same Class in a Sub-fund will be treated pro-rata to the number of Shares held by them in the relevant Sub-fund.

## **2.5 Stock Exchange Listing**

The Board may decide to list the Shares of the Sub-funds, Classes of Shares, as and when issued, on the Luxembourg Stock Exchange, any stock exchange, any other Regulated Market or MTF. Details are set out for each Sub-fund in the relevant Appendix to this Issuing Document.

## **3. MANAGEMENT AND ADMINISTRATION**

### **3.1 The Board**

The Board is responsible for managing and monitoring the business activity of the Company.

The Board is made up of the following Directors:

- A) Bernard Pons, director A
- B) Isabelle Vonèche, director B
- C) Cédric Cayla, director A

### **3.2 AIFM**

The Board has appointed as of August 1, 2020 pursuant to the provisions of article 4(1)(a) of the AIFM Law Pure Capital S.A. as its external alternative investment fund manager.

The AIFM has been authorized by the CSSF in accordance with chapter 2 of the AIFM Law, as alternative investment fund manager.

The AIFM carries out all acts of portfolio and risk management on behalf of the Company in compliance with the RAIF Law, the AIFM Law and the AIFM Regulation under the supervision of Board.

The AIFM may under its responsibility and supervision, delegate its portfolio management or risk management functions, privileges and duties to any third party subject to the conditions and the



limitations set out in the Article 18 of the AIFM Law and Section 8 of the AIFM Regulation, the Board's prior consent. In case of delegation to an investment manager, the relevant Appendix of the Issuing Document will disclose it.

It shall carry out all acts of portfolio and risk management on behalf of the Company in compliance with the RAIF Law, the AIFM Law and the AIFM Regulation.

In the implementation of the investment policy the AIFM may be assisted by one or several investment adviser(s).

In consideration of its services, the AIFM is entitled to receive fees to be paid by the Company.

Pursuant to article 15 of the AIFM Law and articles 46 to 49 of the AIFM Regulation, the AIFM has implemented a liquidity management policy. The AIFM shall monitor the liquidity risk of the Company in accordance with its liquidity management policy and ensure that the liquidity profile of the investments of the Company complies with its underlying obligations.

Pursuant to article 14 of the AIFM Law and articles 39 and 40 of the AIFM Regulation, the AIFM has implemented a permanent risk management function and a risk management policy. In accordance with such processes and policies, the AIFM shall identify, measure, manage, and monitor on an ongoing basis all risks to which the Company is or may be exposed. In accordance with the AIFM Law and AIFM Regulation, the AIFM will periodically (and on at least an annual basis) make available to the Shareholders the risk profile of the Company and the risk management systems employed by the AIFM to manage those risks, including:

- (i) measures to assess the sensitivity of the Investments to the most relevant risks to which such Investment is or could be exposed;
- (ii) risk limits set by the AIFM that have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken;
- (iii) any change to the risk management systems employed by the AIFM and the anticipated impact of the change on the Company and the Shareholders;
- (iv) information on any changes to the AIFM's liquidity management systems and procedures for the Company; and
- (v) the percentage of each Company's assets which are subject to special arrangements arising from their illiquid nature.

To cover potential professional liability risks resulting from activities delegated by the Board to the AIFM and which the AIFM carries out with respect to the Company, the AIFM holds sufficient a professional indemnity insurance against liability arising from professional negligence of the AIFM to cover potential liability risks arising from professional negligence related from duties entrusted by the Board to the AIFM.

Within the duties performed and in accordance with the AIFM Regulation, the AIFM will ensure at all times equal treatment of Shareholders holding the same Classes and shall:

- (i) always act in the best interests of the Company and the Shareholders;
- (ii) execute investment decisions in accordance with the investment policy, objective and the risk profile of the Company;
- (iii) take all reasonable measures to ensure that orders are executed to obtain the best possible result;
- (iv) avoid conflict of interests and, where they cannot be avoided, manage and monitor these conflict of interest in accordance with the conflict of interests policy in order to prevent them from adversely affecting the interest of the Company and the Shareholders;

- (v) prevent from placing the interest of any group of Shareholders above the interests of any other group of Shareholders;
- (vi) ensure fair, correct and transparent pricing and valuation systems are used for the Company;
- (vii) prevent undue costs being charged to the Company and the Shareholders.

The AIFM mandate may be terminated, as provided in the agreement between the AIFM and the Company.

### **3.3 Domiciliary Agent**

Pursuant to a Domiciliary Service Agreement, the AIFM has been appointed as domiciliary agent of the Company (the "Domiciliary Agent").

### **3.4 Depositary Bank**

Caceis Bank, Luxembourg Branch has been appointed as depositary bank of the Company pursuant to a depositary agreement with effective date from 9 July 2021.

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 440,000,000 Euros having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The depositary agreement is governed by Luxembourg law and may be terminated by either the Company or the Depositary upon 3 months prior written notice.

In any case the Depositary will have to be replaced within two (2) months from its voluntary withdrawal or from its removal by the Company. The Depositary shall continue its activities in the meantime until the Company's assets have been transferred to the new depositary bank.

The fees and charges of the Depositary are borne by the Company.

#### *Role of the Depositary*

The Depositary is responsible for (i) the custody of all financial instruments of the Company and (ii) the verification of ownership of other assets of the Company as well as (iii) the monitoring of the Company's cash flows and (iv) such additional oversight functions as set out by the AIFM Law, namely:

- i. ensure that the sale, issue, repurchase and cancellation of Shares of the Company are carried out in accordance with the Luxembourg laws and regulations and the Company's constitutive documents;
- ii. ensure that the value of the Shares of the Company is calculated in accordance with applicable Luxembourg law, the Company's constitutive documents and the valuation procedures adopted in respect of the Company in accordance with the AIFM Law;
- iii. carry out authorized instructions from the AIFM provided such authorized instructions do not conflict with the Luxembourg law and the Company's constitutive documents;
- iv. monitor the Company's compliance with the investment restrictions and leverage limits set out in the Issuing Document;
- v. ensure that in respect of transactions involving the assets of the Company, the consideration is remitted to the Company within the usual time limits; and

- vi. ensure that the income of the Company is applied in accordance with the Luxembourg law and the Company's constitutive documents.

#### *Delegation of depositary functions*

The Depositary is not authorized to delegate to third parties, subject to the conditions laid down in the AIFM Law, its depositary functions, save for those relating to (i) the safekeeping of financial instruments to be held in custody and (ii) the verification of ownership and the maintenance of a record with respect to other assets. Such third parties shall be appointed by the Depositary under its responsibility with due skill, care and diligence. The above delegations shall each time be justified by objective reasons.

However, where the law of a third country requires that certain financial instruments to be held in custody by a local entity and no local entities satisfy the delegation requirements laid down in the AIFM Law, the Depositary may delegate its functions to such a local entity only to the extent required by the law of the third country and only as long as there are no local entities that satisfy the delegation requirements, such delegation by the Depositary being subject to the prior instruction of the Board or the AIFM and the Shareholders being duly informed of such delegation and the circumstances justifying such a delegation, prior to their investment.

The liability of the Depositary shall in principle not be affected by such delegation(s) and the Depositary shall be liable to the Company or its Shareholders for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated.

However, where the event which led to the loss of a financial instrument is not the result of the Depositary's own act or omission (or that of its sub-depositary), the Depositary is discharged of its liability for the loss of a financial instrument where the Depositary can prove that, in accordance with the conditions as set out in the AIFM Law and in the AIFM Regulation, the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions and reasonable efforts.; or (ii) where it has contractually discharged its responsibility in compliance with article 19(13) of the AIFM Law; or (iii) in compliance with the conditions set out under article 19(14) of the AIFM Law where the laws of a third country requires that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 19(11) of the AIFM Law.

### **3.5 Administrative Agent, Registrar and Transfer Agent**

Caceis Bank, Luxembourg Branch has been appointed as Agent of the Company. As such, Caceis Bank, Luxembourg Branch is responsible, among other things, for the general administrative functions required by Luxembourg law, the calculation of the Net Asset Value of the Shares of each Sub-fund and the maintenance of accounting records.

The Agent is entitled to rely, without further inquiry, on the valuations provided by the Independent Valuer.

The agreement between the Company and the Agent provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 3 months' notice.

In consideration of the services rendered, the Central Administrative Agent receives a fee as detailed in section 13 "Charges and Expenses" of this Issuing Document.

### **3.6 Independent Valuer**

The Independent Valuer may either be:

- (a) an external valuer, which must be a legal or natural person independent from the Company, the AIFM and any other persons with close links to the Company or the AIFM; or
- (b) the AIFM itself, provided that the valuation task is functionally independent from the portfolio management and the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented.

In case where the Depositary act as Independent Valuer, this is subject to the condition that it has functionally and hierarchically separated the performance of its depositary functions from its tasks as Independent Valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders of the Company.

The Company has appointed the AIFM to perform the function of Independent Valuer.

The Independent Valuer performs the valuation of the assets of the Company on the basis of a pricing policy determined by the AIFM in compliance with article 17 of AIFM Law.

### **3.7 Anti Money Laundering**

The AIFM, the Company, the Depositary and the Agent are subject to anti-money laundering obligations. Under the responsibility and supervision of the AIFM, measures aimed towards the prevention of money laundering, as provided by the Luxembourg law of 12 November 2004 as amended, relating to the fight against money-laundering and the financing of terrorism (as amended) (the "AML Law"), the law of 27 October 2010, enhancing the anti-money laundering and counter terrorist financing legal framework, the Grand-Duchy Regulation dated 1 February 2010 providing details on certain provisions of the AML Law and the regulation and circulars of the CSSF (and notably CSSF Regulation 12-02 as amended by CSSF Regulation No 20-05 of 14 August 2020 amending CSSF Regulation No 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing) have been implemented and certain identification measures have been delegated to the Agent.

The AIFM and the Agent reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account or by post at the applicant's risk, provided the identity of the applicant can be properly verified pursuant to Luxembourg anti-money laundering regulations. In such event, the Company will not be liable for any interest, costs or compensation.

### **3.8 External Auditor**

The Board has appointed Deloitte Audit., as External Auditor of the Company transactions, accounts and annual reports.

### **3.9 Investment Adviser**

The AIFM may appoint an Investment Adviser to provide it with investment advisory services. In the case of the appointment of such Investment Adviser, the relevant Appendix of the Issuing Document will be amended accordingly with the details of the Investment Adviser.

## **4. INVESTMENT OBJECTIVE AND POLICY OF THE COMPANY**

The overall investment objective of the Company is to invest its assets in a wide range of securities and other assets permitted to by the RAIF Law with the purpose of spreading investment risks and

affording the investors the results of the management of its portfolio.

The Company may invest in or hold any kind of investments which are eligible under the RAIF Law. Investments of any sub-fund of the Company in Private Equity or Real Estate assets are not permitted.

The Company may furthermore hold cash or cash equivalents, including inter alia money market instruments or investments in shares or units of money market funds and term deposits or any other assets that offer daily liquidity as liquidity reserve, for management purposes, or as an intermediary investment prior to the investment of any balance not invested.

The Board is permitted at any time to change the investment policy and restrictions of the Sub-funds.

The AIFM, with respect to its Sub-funds, may take any measure and carry out any operation, which it may deem useful in the accomplishment and development of its purpose to the full extent permitted by the RAIF Law.

Additional or deviating guidelines can be set forth for each Sub-fund separately. To that effect, reference is made to the Appendices.

The Company may make investments directly or indirectly, in investment structures which have been established for the purpose of investing in (directly or indirectly) and/or financing any kind of investments which are eligible under the RAIF Law (the “**Investment Structures**”). Such Investment Structures may have legal personality or not, be listed or unlisted, be regulated or unregulated, and be incorporated in any jurisdiction. Such investments in Investment Structures will be made using all kind of equity and/or all kind of debt instruments (securitized or not) or combinations thereof.

The Company will only invest in Investment Structures that generally preclude a liability in excess of the value of the interests acquired. The Company will not make any investments where it has to incur unlimited liability.

The specific investment objectives, investment policies and investment restrictions in relation to each Sub-fund are referred to in the Appendices to this Issuing Document. In addition, each Sub-fund is managed in accordance with the investment powers and restrictions applicable to the Company as set out in section 5 “Investment Powers and Restrictions” of this Issuing Document.

## **5. INVESTMENT POWERS AND RESTRICTIONS**

The Board shall, based upon the principle of spreading risks, have the power to determine the corporate and investment policy for the investments and the course of conduct of the management and business affairs of each Sub-fund. The AIFM shall perform the portfolio management in accordance with the investment policy implemented by the Board.

By making use of its power to determine the investment policy of each Sub-fund, the Board has resolved the following investment restrictions that apply, in principle, for each Sub-fund, provided that it is not decided and indicated otherwise in respect of any particular Sub-fund in the relevant Appendix to this Issuing Document:

- (1) The Company, in each Sub-fund, may not in principle hold short position in securities of the same type issued by the same issuer representing more than 30% of its net assets;
- (2) The Company, in each Sub-fund, may not invest more than 30% of its assets in securities of the same type issued by the same issuer unless otherwise specified by the Appendices. This

restriction does not apply to investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies and UCI subject to equivalent risk diversification rules;

- (3) The Company, in each Sub-fund, may invest in financial derivatives instruments, dealt in on a Regulated Market and/or MTF and/or over the counter (OTC). When using financial derivative instruments, the Company must ensure comparable risk diversification through appropriate diversification of the underlying assets. Counterparty risk of OTC operations must be limited and prudently assessed based on the quality and qualification of the counterparty;
- (4) The Company, in each Sub-fund, may borrow as specified in the Appendices;
- (5) In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company, in each Sub-fund, may (unless otherwise specified in the Appendices) enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with strongly rated financial institution specializing in these types of transactions and being participants in the over-the-counter markets. The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the Reference Currency (known as “**Cross Hedging**”) may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred;
- (6) A Sub-fund may subscribe, acquire and/or hold Shares to be issued or already issued by one or several other Sub-funds, without the Company being subject to the requirements regarding the subscription, acquisition and/or holding by a company of its own shares set out in the 1915 Law , under the conditions however, that:
  - the target Sub-fund does not, in turn, invest in the Sub-fund invested in this target Sub-fund; and the voting rights, if any, which might be attached to the securities concerned will be suspended for as long as they are held by the relevant Sub-fund and without prejudice to an appropriate treatment in accounting and in the periodical reports; and
  - in any case, as long as these securities are held by the Company, their value shall not be taken into account for the calculation of the Company's net assets for the control of the minimum threshold of net assets imposed by the RAIF Law.

In order to comply with the laws and regulations of the countries where the Shares might be offered or placed, the Board may from time to time impose further investment restrictions to all or several Sub-funds as shall be compatible with or be in the interest of the Shareholders. In such a case, the Issuing Document will be amended accordingly.

In addition, each Sub-fund shall be managed in accordance with the investment restrictions specified in the Appendices; and

- (7) The Company, in each Sub-fund, may also hold liquid assets.

In order to comply with the laws and regulations of the countries where the Shares might be offered or placed, the Board may from time to time impose further investment restrictions to all or several

Sub-funds as shall be compatible with or be in the interest of the Shareholders. In such a case, the Issuing Document will be amended accordingly.

In addition, each Sub-fund shall be managed in accordance with the investment restrictions specified in the Appendices.

(8) Securities Financing Transaction and Total Return SWAP ("TRS")

The Company may use securities financing transactions (as such terms are defined in 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) and total return swaps. Securities financing transactions include in particular repurchase transactions, securities lending and borrowing, as well as buy-sell back or sell-buy back transactions.

Certain Sub-funds may employ SFTs and TRSs for reducing risks (hedging), leveraging, generating additional capital or income or for cost reduction purposes. Any use of SFTs and TRSs for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-funds. SFTs include the transactions specified herewith. Investors should refer to the risk factors in section 6.19 "Risks relating to the use of SFTs and use of TRSs" for special risk considerations applicable to the use of SFTs and TRSs.

SFTs include the following transactions:

(i) "securities lending" or "securities borrowing" means 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;

(ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of item (iii) below;

(iii) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities 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 and a reverse repurchase agreement for the counterparty buying them;

(iv) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

The Company and any Sub-funds may further enter into swap contracts relating to any financial instruments or indices, including TRSs. Total return swaps involve the exchange of the right to receive

the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

The Company or any of its delegates will report the details of any SFT and TRSs concluded as the case may be in accordance with the SFTR.

The maximum and expected proportion (i) of assets that may be subject to SFT and TRS and (ii) for each type of assets that are subject to TRS or SFT will be set out for each Sub-fund in the relevant Appendix. If a Sub-fund intends to make use of SFT and TRS, the relevant Appendix will include the disclosure requirements of the SFTR.

## 6. RISK CONSIDERATIONS

***An investment in any Sub-fund established by the Company is speculative and involves a high degree of risk. Although the AIFM for each Sub-fund will attempt to manage or mitigate those risks through careful research and portfolio management, there can be no assurance that it will do so successfully.***

***An investment in any Sub-fund established should be made only after consultation with independent qualified sources of investment, tax, legal and other appropriate professional advice. In addition to the specific risk factors set forth in the Appendices in relation to each Sub-fund, a prospective investor should consider the following factors the description of which is neither detailed nor exhaustive:***

### 6.1 General Management Risks

#### No Rights to Control the Company's Operations

Investors will have no opportunity to control the day-to-day operations, including investment, management and disposal decisions, of the Company. In order to safeguard their limited liability for the liabilities and obligations of the Company, investors must rely on the Board and the AIFM to advise on, conduct and manage, as the case may be, the affairs of the Company.

### 6.2 General Risk Considerations relating to an Investment in the Company

The value of an investment in any investment fund may go up as well as down and involves various risks and investment considerations, some of which are highlighted below. There is a possibility of a total or partial loss of the invested capital. Prospective investors should not subscribe to or invest in any Sub-fund unless they can readily bear the consequences of such loss. No guarantee or representation is made that the Sub-funds will reach their investment objectives, and investment results may vary substantially over time.

In particular, prospective investors should evaluate the risk factors discussed below which, individually or in aggregate, could have a material adverse effect on the Sub-funds or their assets and may result in the loss of the Shareholders' invested capital or lower returns than those discussed herein.

Additionally, the Company is primarily designed as a long-term investment and not as a trading vehicle. The Company is not intended to be a complete investment program. Where the currency of the Company varies from the Shareholder's home currency, or where the Reference Currency of the Sub-fund varies from the currencies of the markets in which the Company invests, due to this foreign



exchange risk exposure there is the prospect of additional loss (or the prospect of additional gain) to the Shareholder greater than the usual risks of investment.

### **6.3 Changes in Applicable Law**

The Company must comply with legal requirements, including requirements imposed by the securities laws and company laws in various jurisdictions, including Luxembourg. Should any of these laws change over the duration of the Company, the legal requirements to which the Company and the Shareholders may be subject could differ substantially from current requirements.

### **6.4 No Operating History**

The Company is newly formed and does not have an operating history or any track record for investment. There is no guarantee that the Company will realize its investment objectives, that the Shareholders will receive any return on, or the return of, their invested capital.

### **6.5 Liquidity risk**

An investment in the Company represents a general liquidity risk and the question whether a Shareholder will be able to sell its Limited Shares will depend on a variety of factors. The Limited Shares may also be affected by restrictions on resale imposed under applicable law and the relevant Appendix. The value of the Limited Shares will fluctuate based upon the performance of the Company or relevant Sub-fund, other relevant factors and any third party's assessment thereof. Accordingly, if a Shareholder transfers its Limited Shares, the sale price may be lower than the originally invested amount.

### **6.6 Tax risks**

Unfavorable interpretations or changes in tax laws, judicial practice, tax rulings or of any rules established in the tax practice could adversely affect the Company's financial situation. The changes could relate to the current fiscal year or to prior years if they have not yet been finally assessed for tax purposes.

The tax authorities may add additional items to the taxable income of the Company or disallow tax deductions and allowances with respect to any open assessment so that the tax liabilities of the companies may be increased. Such different assessment of the Company's tax situation by tax authorities could adversely affect its results.

Investors are urged to consult their own tax advisors as to tax consequences of the acquisition, ownership and disposition of Shares. Tax consequences may differ according to the provisions of different double tax treaties and the investor's particular circumstances.

### **6.7 Risk Considerations relating to an Investment in the Sub-funds**

Any investment of the Sub-funds, in particular in a foreign country, involves the risk of adverse political developments, including nationalization, confiscation without fair compensation, and acts of terrorism or war and of changes in governmental policies. Furthermore, foreign jurisdictions may impose restrictions to prevent capital flight, which could make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals which would not exist in the prospective investor's country of origin and may require financing and structuring alternatives which differ significantly from those customarily used in the prospective investor's country of origin.

No assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the different Sub-funds. It may be infeasible for the Sub-funds to invest in certain Investment Structures as otherwise the Sub-fund or certain Shareholders or prospective investors may be subject to adverse tax, regulatory or other detrimental consequences; this may limit the investment opportunities of the Sub-funds.

Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of issuers may vary in the markets of different countries. Hours of business, customs and access to these markets by foreign prospective investors may also vary. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit the Company's ability to invest in securities of certain issuers located in those countries. In addition, there may be a lack of adequate legal recourse for the redress of disputes and in some countries the pursuit of such disputes may be subject to a highly prejudiced legal system.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is not invested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause the Company to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses by such Sub-fund, and therefore the Company, due to subsequent declines in value of the portfolio security or, if such Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

Investments in non-European securities involve certain factors not typically associated with investing in European securities including risks relating to differences between the European and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation.

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

These risks may be greater in emerging markets.

## **6.8 Competitive Environment**

Each Sub-fund will operate in a competitive environment in which there will be a significant degree of uncertainty in identifying and completing investment transactions. There may be other investment vehicles that have similar or identical objectives that will target similar assets.

## **6.9 Concentration and Diversification**

The Sub-funds are subject to few investment restrictions, and therefore there may be a concentration in a particular issuer, industry or country or other category. If any Sub-fund elects to concentrate the Sub-fund's investments in a particular issuer, industry or country, the Sub-fund will become more susceptible to fluctuations in value resulting from adverse economic conditions affecting that particular issuer, industry or country.

## **6.10 Currency Risks and Foreign Exchange; Hedging Transactions**

The Reference Currency of each Sub-fund is not necessarily the investment currency of the Sub-fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-funds in the view of the AIFM.

Changes in the rates of exchange between the Reference Currency and other currencies will have an effect, which could be adverse, on the performance of the relevant Sub-fund, on amounts available for distribution by the relevant Sub-fund and on the value of securities distributed by such Sub-fund. Additionally, in response to large-scale currency speculation, a number of nations have been unable to sustain exchange rates and have devalued their currency or shifted to floating exchange rate regimes. Such devaluation could adversely affect the relevant Sub-fund.

A Sub-fund may utilize financial instruments for risk management purposes in order to hedge the currency exchange rate on any particular Sub-fund's assets and expected future income arising from those assets. The success of any such hedging operations will be subject to the AIFM's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged and the AIFM's ability to recalculate, readjust and execute hedges continually in an efficient and timely manner.

Investors investing in a Sub-fund in a currency other than in its Reference Currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

#### **6.11 Market Risk**

The market price of securities owned by the Sub-funds may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse Shareholder sentiment generally. They may also decline due to factors, which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset Classes may decline in value simultaneously.

Such market risk may apply to other type of investments and/or assets a Sub-fund may invest in.

#### **6.12 Issuer Risk**

The value of an investment may decline for a number of reasons, which directly relate to the issuer/company/underlying, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

#### **6.13 Redemption in Specie**

While the Sub-funds expect to distribute cash to a Shareholder upon redemption of Limited Shares, there can be no assurance that the Sub-fund will have sufficient cash to satisfy Redemption Requests, or that they will be able to liquidate investments at favorable prices at the time of such Redemption Request. Under the foregoing circumstances, and only upon a Shareholder's decision and agreement in the relevant Sub-fund, such Shareholder may receive in kind redemptions from the respective Sub-fund's portfolio. Such investments so distributed may not be readily marketable or sellable and may have to be held by such Shareholder for an indefinite period of time.

As a result, an investment in the Limited Shares is suitable only for sophisticated investors that do not require immediate liquidity for their investment and are able to bear the financial risks of this

investment for an indefinite period of time.

#### **6.14 Financial Failure of Intermediaries**

There is always the possibility that the institutions, including brokerage firms and banks and exchanges, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

#### **6.15 Counterparty Credit Risk**

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

Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective Sub-fund could become subject to adverse market movements while replacement transactions are executed. The Sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with a single counterparty. Moreover, the Sub-funds have no internal credit function, which evaluates the creditworthiness of their counterparties. The ability of the Sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a Regulated Market and/or MTF to facilitate settlement may increase the potential for losses by the Sub-funds.

#### **6.16 Suspensions of Trading**

Each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Sub-funds to liquidate its positions and thereby expose them to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Sub-funds to close out positions.

#### **6.17 Use of Leverage**

While the use of leverage as described under section 5 "Investment Powers and Restrictions" may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the respective Sub-fund, in incurring debt, will be able to meet its loan obligations.

Leverage risk is the risk associated with the borrowing of funds and other investment techniques. Leverage is a speculative technique, which may expose the respective Sub-fund to greater risk and increase its costs. Increases and decreases in the value of the Sub-fund's portfolio will be magnified

when the Sub-fund uses leverage. For example, leverage may cause greater swings in the Sub-fund's Net Asset Value or cause the Sub-fund to lose more than it invested. There can be no assurance that the Sub-fund's leveraging strategy will be successful. If leverage is employed, the Net Asset Value and market value of the Shares will be more volatile, and the yield to the Shareholders will tend to fluctuate with changes in interest rates relating to the leverage. The Sub-funds will pay (and the Shareholders will bear) any costs and expenses relating to any leverage. Any decline in the Net Asset Value of the Sub-fund's investments will be borne entirely by the Shareholders. Therefore, if the market value of the respective Sub-fund's portfolio declines, the leverage will result in a greater decrease in Net Asset Value to the Shareholders than if the Sub-funds were not leveraged.

## **6.18 Risks Associated with Specific Investments**

### Holdings of Cash or Cash Equivalents

The Sub-funds may hold cash or cash equivalents for distributions and redemptions and for management purposes, including inter alia money market instruments or investments in units in money market funds on an ancillary basis. The value of these Sub-funds' holdings of cash or cash equivalents may be adversely affected by interest rate fluctuations, changes in rates of inflation, fluctuations in currency or exchange rates or failure by a counterparty or an investment vehicle in which one of the Sub-funds invests to perform its obligations under a contract or other agreement. Moreover, the Sub-funds could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### Use of Derivative Contracts

Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes.

The Sub-funds' use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Particular derivative instruments such as without limitation put options, call options and forward contracts may be associated with specific risks, which are not discussed below. The following provides a general discussion of important risk factors relating to all derivative instruments that may be used by the Sub-funds.

- Derivatives Management Risk

Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks or bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

- Derivatives Credit Risk

The use of a derivative instrument involves the risk that a loss may be sustained as a result of the failure of the counterparty to make required payments or otherwise comply with the contract's terms. Additionally, credit default swaps could result in losses if the respective Sub-fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

- Derivatives Leverage Risk

Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When the Sub-funds use derivatives for leverage, investments in the Sub-funds will tend to be more volatile, resulting in larger gains or losses in response to market changes.

- Derivatives Lack of Availability

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes.

Upon the expiration of a particular contract the AIFM may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

- Derivatives Liquidity Risk

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

- Derivatives Market and Other Risks

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the Sub-funds' interest. If the AIFM incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using derivatives for the Sub-funds, the Sub-funds might have been in a better position if they had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other Sub-fund investments. The respective Sub-fund may also have to buy or sell a security at a disadvantageous time or price because the Sub-fund is legally required to maintain offsetting positions or asset coverage in connection with certain derivatives transactions.

- Other Derivative Risks

Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indexes. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparts or a loss of value to the respective Sub-fund. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track. In addition, the Sub-funds' use of derivatives may cause the Sub-funds to realize higher amounts of short-term capital gains or losses than if the Sub-funds had not used such instruments.

- Management Risk

Structured investments are highly specialized instruments that require investment techniques and

risk analyses different from those associated with stocks or bonds. Investments in structured investments requires an understanding not only of the underlying instrument but also of the structured investment itself, without the benefit of observing the performance of structured investment under all possible market conditions.

- Liquidity Risk

Investments may be illiquid and consequently it may not be possible to sell these investments at a price that reflects the AIFM's assessment of their fair value.

The nature of the investments may also require a long holding period prior to profitability. Consequently, disposals of investments may require a lengthy time period or may result in distributions in kind of investments in lieu of or in addition to cash. In the event the AIFM's makes distributions of Investments in kind upon the dissolution of a relevant Sub-fund or Class or upon the liquidation of the Company, these investments could be illiquid or subject to legal, contractual and other restrictions on transfers.

- Fixed-Interest Securities

The following is in regard to fixed income securities. Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency would reduce the value of certain portfolio securities that are denominated in the former currency. The following risks may also be associated with fixed-interest securities:

- The values of fixed income securities held by the Company generally will vary inversely with changes in interest rates and such variation may affect the share prices accordingly.
- Fixed income securities rated below investment grade may have greater price volatility and greater risk of loss of principal and interest than more highly rated securities.
- Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies differs from one country to another. The laws of some countries may limit the Company's ability to invest in securities of certain issuers.
- Different markets also have different clearing and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is not invested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-fund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-fund due to subsequent declines in value of the portfolio security or, if a Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.
- An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

- Equities

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

- Emerging Markets

Prospective investors should be aware that investments in emerging markets may involve, due to the economic and political development process which some of these countries are undergoing, a higher degree of risk which could adversely affect the value of the investments. Among other things, an investment in emerging markets involves risks such as the restriction on foreign investment, counterparty risk, higher market volatility and the illiquidity of the companies' assets depending on the market conditions in certain emerging markets. Moreover, companies may be subject to considerably less state supervision and less differentiated legislation. Their accounting and auditing do not always match western standards.

Investments in some emerging countries are also exposed to higher risks in respect of the possession and custody of securities. Ownership of companies is for the most part determined by registration in the books of the company or its registrar (who is not, however, an agent of the depositary nor liable to the latter). Certificates evidencing the ownership of companies are frequently not held by the depositary, any of its correspondents or an efficient central depositary. As a result and due to lack of efficient regulation by government bodies, the Company may lose the possession of or the registration of shares in companies through fraud, serious fault or negligence.

- Money Market Instruments

The term “money market instruments” refers to a variety of short-term, liquid investments. Some common types are government bills and notes, which are securities issued by a government; commercial paper, which are promissory notes issued by large companies or financial firms; banker's acceptances, which are credit instruments guaranteed by banks; and negotiable certificates of deposit, which are issued by banks in large denominations. Money market securities can pay fixed, variable, or floating rates of interest. The Sub-funds are subject to income risk, where the respective Sub-fund's income will decline because of falling interest rates. A fund's income declines when interest rates fall, because the fund then must invest in lower-yielding instruments. Because the Sub-funds' income is based at least partially on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.

- Investment in Collective Investment Schemes

A Sub-fund may invest in collective investment schemes which may be regulated or unregulated. It should be noted that unregulated collective investment schemes do not afford the same level of protection towards investors generally afforded by regulated collective investment schemes. Furthermore, the valuation of such collective investment schemes may be based on estimate values provided by such collective investment scheme. It should also be noted that the investment policies of a particular Sub-fund may allow the AIFM to invest in other collective investment schemes managed by it.

The above should not be considered to be an exhaustive list of the risks which prospective investors should consider before investing into the Sub-funds. Prospective investors should be aware that an



investment in a Sub-fund may be exposed to other risks of an exceptional nature from time to time.

#### **6.19 Risks relating to the use of SFTs**

The Company and any of its Sub-funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in each Sub-fund's Appendix. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Company or the relevant Sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Company or the relevant Sub-fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Company or the relevant Sub-fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Company and any of its Sub-funds may enter into securities lending or borrowing transactions subject to the conditions and limits set out in each Sub-fund Appendix. If the other party to a securities lending transaction should default, the Company or the relevant Sub-fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company or the relevant Sub-fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Company or the relevant Sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement. The costs of borrowing may vary greatly and influence the return realized on the pertinent position. Because of the unlimited upward potential of securities prices, the theoretical loss on a short position is unlimited.

Conceivably, borrowed securities may need to be returned to the lender at an earlier date than expected. If so, borrowing securities to substitute recalled securities or acquiring the pertinent securities instead may entail significantly higher costs. In the event that the Company is not in the position to acquire the pertinent securities and, as a result, not in the position to fulfil its obligation to deliver the same, the Company may incur fines or penalties.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the Company's or the relevant Sub-fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Company's or the relevant Sub-fund's NAV.

The principal risk when engaging in buy-sell back and/or sell-buy back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations to return securities or cash to the Sub-fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral.

Buy-sell back and/or sell-buy back transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-fund or delays in recovering cash or securities paid to the counterparty. These

circumstances may delay or restrict the ability of the Company to meet redemption requests. The Sub-fund may also incur operational risks such as, inter alia, non- settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

#### **6.20 Risk relating to the use of TRSs**

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore may involve lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Company and any of its Sub- funds enters into TRSs on a net basis, the two payment streams are netted out, with Company or each Sub-fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Company's or relevant Sub-fund's risk of loss consists of the net amount of total return payments that the Company or Sub-fund is contractually entitled to receive.

#### **6.21 Risks related to automated trading**

Sub-funds having recourse or being exposed to automated trading, as such shall be disclosed in the relevant Appendix, will face the following risks:

- 6.21.1 The trading decisions will be based on the automated process using mathematical models of the financial markets. The Automated Process relies on modelling assumptions about the future evolution of the asset price given observed variables such as economic factors or technical indicators based on price time series, volume and open interest. The profitability of the automated process depends upon the occurrence in the future of significant and sustained periods of time where these modelling assumptions are satisfied.
- 6.21.2 While the automated process is predominantly algorithmic and mechanical, from time to time the AIFM may exercise discretion over trading orders. No assurance can be given that such use of discretion will enable the Sub-fund to avoid losses and in fact such use of discretion may cause the Sub-fund to forego profits which it may have otherwise earned had such discretion not been used.
- 6.21.3 The automated process may use automated order routing and execution systems in its trading. Such systems are typically provided on an "as is" basis. Such systems may experience technical difficulties, which may render them temporarily unavailable. In addition, such systems may fail to properly perform. Such failures may result in losses to the Sub-fund, for which losses the providers of such services have disclaimed all liability. In an effort to mitigate such risks, the AIFM closely monitors trades executed through automated order routing and execution systems and the operation of the systems themselves.
- 6.21.4 The automated process is highly dependent on the proper functioning of its internal computer systems. Accordingly, systems failure, whether due to third party failures upon which such systems are dependent or the failure of the automated process' hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short period of time), could, in certain market conditions, cause the Sub-

fund's account to experience significant trading losses or to miss opportunities for profitable trading. Additionally, any such failures could cause a temporary delay in reports to Investors.

- 6.21.5 The automated process depends to a significant degree on the receipt of timely and accurate market data from third party vendors. Any failure to receive such data in a timely manner or the receipt of inaccurate data for any reason could disrupt and adversely affect the Sub-fund's trading until such failure or inaccuracy is corrected.

## 6.22 Availability of investment strategies

6.22.1 The success of the Sub-fund's investment activities depends on the ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Sub-fund will involve a high degree of uncertainty. No assurance can be given that the Automated Process will be able to locate suitable investment opportunities in which to deploy all of the Sub-fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity or the pricing inefficiency of the markets in which the Sub-fund seeks to invest, as well as other market factors, will reduce the scope for the Sub-fund's investment strategies.

6.22.2 The Sub-fund may be adversely affected by unforeseen events involving, but not limited to, such matters as changes in interest rates or the credit status of an issuer, government programs regarding mortgage borrowings, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value.

***The above should not be considered to be an exhaustive list of the risks which prospective investors should consider before investing into the Sub-funds. Prospective investors should be aware that an investment in a Sub-fund may be exposed to other risks of an exceptional nature from time to time.***

## 7. THE OFFER

### 7.1 The Shares

All the Shares are issued in registered form and only the Share register is conclusive evidence of ownership under Luxembourg legislation.

Shares must be fully paid-up. Upon issue, Shares are entitled to participate equally in the profits and dividends attributable to the relevant Class of the relevant Sub-fund, as well as in the liquidation proceeds of the Company attributable to the relevant Class.

Fractions of Shares up to three decimal places will be issued; the relevant Sub-fund being entitled to receive the adjustment. Fractions of Share are entitled to participate in the distributions and the liquidation proceeds.

Shares may be subject to certain transfer restrictions as set forth in the Articles.

Any Subscription Request may be subject to Performance Fee Calculation Method as further detailed for each Sub-fund in the relevant Appendix (plus any applicable subscription charge).

## 7.2 Classes of Shares

The Board may, at its sole discretion, issue different Classes of Shares per Sub-fund. Each Class of Shares may carry different rights and obligations, *inter alia*, with regard to their fee structure, their minimum initial subscription and holding amounts or their specific target investors as more fully described in the Appendices to this Issuing Document.

Shareholders of the same Class in a Sub-fund will be treated pro-rata to the number of Shares held by them in the relevant Class.

## 7.3 Restriction to the ownership of Shares

Whatever Class of Shares concerned, Shares are available to Well-Informed Investors only in accordance with article 2 of the RAIF Law.

Moreover each Class of Shares is reserved to Shareholders satisfying the criteria of the relevant Class of each Sub-fund as described in the Appendices.

Additional restrictions on the ownership of Shares of a given Sub-fund or Class are specified in the Appendices (as amended from time to time).

The AIFM may restrict or prevent the ownership of Shares in the Company by any Prohibited Persons.

The AIFM retains the right to offer only one or several Classes of Shares as for subscription in any particular jurisdiction in order to comply with a local law, custom, business practice or the Company's commercial objectives.

## 7.4 Subscription for Shares

The AIFM reserves the right to reject, in whole or in part, any Subscription Request without giving any reason thereof.

In case of joint applicants, the Subscription Request must include the signatures of all applicants.

The Minimum Subscription for initial and subsequent subscriptions and the Minimum Holding requirements for Shares in any Sub-fund and/or Class are specified in the Appendices. The AIFM may decide at its sole discretion to waive such minimum limits.

During the Initial Subscription Period (if any), Shares of any Class in each Sub-fund will be offered at an initial price (the "**Initial Price**") as specified for each Class in each Sub-fund in the relevant Appendix. The Initial Price may be increased by a sale charge. Such a sale charge is detailed for each Sub-fund in the relevant Appendix to this Issuing Document.

After expiry of the Initial Subscription Period, the Shares of any Class in any Sub-fund are valued and issued on each Valuation Day at the Net Asset Value of the relevant Class of the relevant Sub-fund calculated on each Valuation Day (the "**Subscription Price**"), which amount may be increased by a sale charge or be subject to such Performance Fee Calculation Method as further detailed for each Sub-fund in the relevant Appendix.

Subscription Requests must be received by the Agent of the Company in Luxembourg on Subscription Dealing Day before Cut-Off Time. Subscription Requests are irrevocable.

The Subscription Requests will be settled on Settlement Day at the Subscription Price of the relevant Class of each Sub-fund prevailing on the Valuation Day (plus any applicable sale charge).

Any Subscription Request received after the Cut-Off Time of a given Subscription Dealing Day will be deemed to be received on the immediate next Subscription Dealing Day and will be issued on the basis of the Subscription Price per Share determined on the immediate following applicable Valuation Day (plus any applicable sale charge).

No Shares of any Sub-fund will be issued during any period when the determination of the Net Asset Value of the relevant Sub-fund Class is suspended by the Company as described in section 11.2 "Suspension of the Determination of the Net Asset Value" of this Issuing Document.

## **7.5 Settlement Procedure**

Payments of the Subscription Price can be made via bank transfer, net of bank charges, to the bank account of the Company with the Depositary Bank, as indicated in the Subscription Request.

The Subscription Price must be paid to the Depositary Bank on the relevant Settlement Day, otherwise the Subscription Request will be cancelled. The Company reserves the right to cancel the provisional allotment of Shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect the payment.

The Initial Price and the Subscription Price are payable in the applicable Reference Currency of the relevant Sub-fund or, if available, in an Other Denomination Currency. In addition, a Shareholder may with the agreement of the Agent, effect payment in any other freely convertible currency. The Agent will arrange for any necessary currency transaction to convert the subscription monies from the currency of subscription into the Reference Currency or the Other Denomination Currency (if available) of the relevant Sub-fund/Class. Any such currency transaction will be effected with the Depositary Bank at the Shareholder's cost and risk. Currency exchange transactions may delay any issue of Shares since the Agent may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

## **7.6 Late trading and market timing**

### **(a) Late trading**

The Board shall determine the price of the Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any charges). Subscription, conversion and redemption applications have to be received and will be accepted only in accordance with the provisions of the relevant Appendix and the Cut-Off Time rules as laid down in this Issuing Document.

### **(b) Market timing**

The Sub-funds are not designed for prospective investors with short term investment horizons. Activities which may adversely affect the interests of the Company's Shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Company as an excessive or short term trading vehicle are not permitted.

Whilst recognizing that Shareholders may have legitimate needs to adjust their investments from time to time, the Board in its discretion may, if it deems such activities adversely affect the interests of the Company's Shareholders, takes action as appropriate to deter such activities.

Accordingly if the Board determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription,

redemption or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

## **8. REDEMPTION OF SHARES**

### **8.1 General**

Any Shareholder has the right under certain terms as set out in the Appendices to have all or part of his Shares of any Class of any Sub-fund redeemed by the Company.

Any Shares redeemed by the Company will be immediately cancelled. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are sold will be charged to the Shareholders.

Any Redemption Request may be subject to Performance Fee Calculation Method as further detailed for each Sub-fund in the relevant Appendix (plus any applicable redemption charge).

The Company may suspend redemption in respect of Shares during any period that the determination of the Net Asset Value of the relevant Sub-fund and/or Class is suspended in accordance with section 11.2 "Suspension of the Determination of the Net Asset Value" of this Issuing Document.

### **8.2 Procedure**

Unless otherwise provided for in the Appendices, Redemption Requests, containing a complete set of required documents, must be received by the Agent of the Company in Luxembourg on Redemption Dealing Day before Cut-Off Time. Unless otherwise provided for herein notably with regard to section 8.4 "Limits of redemption", the Redemption Requests will be settled on Settlement Day at the Redemption Price of the relevant Class of each Sub-fund prevailing on the Valuation Day (plus any applicable redemption charge). Any Redemption Request received after the Cut-Off-Time will be deemed to be received on the immediate next Redemption Dealing Day and will be redeemed on the basis of the Redemption Price per Share determined on the immediate following applicable Valuation Day subject to such Performance Fee Calculation Method as further detailed for each Sub-fund in the relevant Appendix (plus any applicable redemption charge). All Redemption Requests will be processed strictly in the order in which they are received.

The Redemption Price of Shares of any Class in any Sub-fund will be the Net Asset Value of the relevant Class of the Sub-fund concerned on the relevant Valuation Day less any redemption charge if any.

The Redemption Price may be higher or lower than the Initial Price and/or Subscription Price paid by the Shareholder at the time of subscription, depending on whether the Net Asset Value has appreciated or depreciated.

### **8.3 Settlement of redemption proceeds**

Settlement will be made by electronic bank transfer. The redemption proceeds will be paid on Settlement Date subject to valid and complete redemption request.

The Redemption Price is payable in the Reference Currency of the relevant Sub-fund or, if available, in the Other Denomination Currency. In addition, payment may also be made in one of the major freely convertible currencies if requested by the Shareholder(s) at the time of giving the redemption instruction. The Agent will arrange for any necessary currency transaction to convert the redemption monies from the Reference Currency or the Other Denomination Currency (if available) of the relevant

Sub-fund/Class. Any such currency transaction will be effected with the Depositary Bank at the Shareholder's cost and risk. Shareholders are advised that a delay in settlement may occur to allow for such currency conversion.

The AIFM will use reasonable efforts to transfer or dispose of the Company's interest, in Investment Structures, (if any) and other assets held by the relevant Sub-fund(s), in order to provide for cash to satisfy the applications for redemption. At its entire discretion, the AIFM may decide to use leverage or borrowing to satisfy the applications for redemption in compliance with the terms of this Issuing Document or make use of the Company's other revenues or reserves to fulfill such redemption requests.

The AIFM may, at its entire discretion, decide to satisfy payment of the Redemption Price to any Shareholder wholly or partly in kind by allocating to such Shareholder assets of the relevant Sub-fund, equal in value as of the Redemption Valuation Day with respect to which the Redemption Price is calculated, to the Net Asset Value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the relevant Class(es), and the valuation used shall be confirmed by a special report of the Auditor. The cost of such redemption in kind shall be borne by the Shareholder.

#### **8.4 Limits on redemption**

The Company is not bound to deal with a request for redemption of Shares received in relation to any Valuation Day if, after the redemption, the Shareholder would be left with a balance of Shares having a value of less than the current Minimum Holding amount in the relevant Class as detailed for each Class of each Sub-fund in the Appendices; in which case the Company may decide that this request be treated as a request for redemption of the full balance of the Shareholder's holding of Shares in such Class of such Sub-fund.

If Redemption Requests on any Valuation Day exceed 20% of the Sub-fund's Shares, the Company reserves the right to redeem, on a pro-rata basis among the relevant Shareholders, no more than 20% of the value of the Shares then in issue in such Sub-fund (the "**Deferred Redeemed Shares**"). However notice shall be given to the relevant Shareholders of the Deferred Redeemed Shares. The Deferred Redeemed Shares (which would otherwise have been redeemed) will be redeemed, utilizing the same price per share from the original Valuation Day, according to the below formula:

- If the Redemption Request is between 20% and 39.9% of the Sub-fund's Shares, the first redemption of 20% of the shares will be redeemed on the first Valuation Day; the remaining of the shares will be redeemed on the next Valuation Day.
- If the Redemption Request is between 20% and 59.9% of the Sub-fund's Shares, the first redemption of 20% of the shares will be redeemed on the first Valuation Day; an additional 20% of the shares will be redeemed on the next Valuation Day; the remaining of the shares will be redeemed on the next Valuation Day.
- If the Redemption Request is between 20% and 79.9% of the Sub-fund's Shares, the first redemption of 20% of the shares will be redeemed on the first Valuation Day; an additional 20% of the shares will be redeemed on the next Valuation Day; an additional 20% of the shares will be redeemed on the next Valuation Day; the remaining of the shares will be redeemed on the next Valuation Day.
- And if the Redemption Request is between 20% and 100% of the Sub-fund's Shares, the first redemption of 20% of the shares will be redeemed on the first Valuation Day; an additional 20% of the shares will be redeemed on the next Valuation Day; an additional 20% of the shares will be redeemed on the next Valuation Day an additional 20% of the shares will be redeemed on the next Valuation Day; the remaining of the shares will be redeemed on the next Valuation Day.

If at any moment the Redemption Requests on any Valuation Day is not redeemed on the first Valuation Day, the total amount of Deferred Redeemed Shares will be dropped so that they do not appear on the following Valuation Day, and thus locking the redemption price to the original Valuation Day.

Besides, the same deferral right is granted to the Company for any Redemption Request as a result of which no cash remains available for the Company. If, in exceptional circumstances, redemption proceeds cannot be paid on Settlement Date, payment will be made at pro-rata basis at the redemption price calculated on the relevant Valuation Day, it being understood that the Board of Directors will always ensure the overall liquidity of the Company. No distribution for redemption (as described above) may be made as a result of which the capital of the Company would fall below the minimum capital amount required by RAIF Law.

## **8.5 Compulsory / Mandatory Redemption**

If the Minimum Holding amount of a Class of a Sub-fund, as set out in the relevant Appendix, is not maintained due to a transfer, redemption or conversion of Shares, the Company may compulsorily redeem the remaining Shares at their current Redemption Price and make payment of the redemption proceeds to the respective Shareholders.

If the Company discovers at any time that Shares are owned by a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly or by Shareholders not satisfying the criteria of the relevant Class, the Board may at its discretion and without liability, compulsorily redeem the Shares after giving notice of at least ten calendar days, and upon redemption, the Prohibited Person will cease to be the owner of those Shares. The Company may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person.

**For the purpose of Performance Fee Calculation Method, the Board may proceed to the compulsory redemption of the Shares of the Sub-Fund as described in the relevant Sub-Fund appendix below.**

## **9. CONVERSION OF SHARES**

### **9.1 General**

Except as otherwise provided for each Sub-fund in the relevant Appendix to this Issuing Document, any Shareholder may request the conversion of all or part of its Shares of any Class in any Sub-fund into another Class in the same Sub-fund and/or into the same Class or a different Class of any other existing Sub-fund, on any Conversion Dealing Day, provided that the Shareholder fulfils the criteria of the relevant Class, and Sub-fund into which the conversion is requested. For an initial investment, Shareholders must therefore switch the appropriate Minimum Subscription.

If the Minimum Holding in a Sub-fund and/or Class as set out in the relevant Appendix is not maintained due to a conversion of Shares, the Company may compulsorily redeem the remaining Shares at their current Net Asset Value and make payment of the redemption proceeds to the respective Shareholders.

The Board may suspend conversion in respect of Shares during any period that the determination of the Net Asset Value of the relevant Sub-fund and/or Class is suspended in accordance with section 11.2 "Suspension of the Determination of the Net Asset Value" of this Issuing Document.



## 9.2 Procedure

Conversion Requests may be sent directly to the Agent of the Company in Luxembourg. All Conversion Requests must contain the following information:

- the full name(s) in which the Shares to be converted are registered;
- the Class and the Sub-fund from which Shares are to be converted and the Class and the Sub-fund to which Shares will be converted; and
- either the percentage, monetary amount or number of Shares the Shareholder wishes to convert;

The Conversion Request must be duly signed by the registered Shareholder, except in the case of jointly registered Shareholders where an acceptable power of attorney has been provided to the Company.

Failure to provide any of this information may result in delay of the application for conversion.

Conversion Requests must be received by the Agent of the Company in Luxembourg on Conversion Dealing Day before Cut-Off Time. The Conversion Requests will be settled on Settlement Day at conversion price of the relevant Class of each Sub-fund prevailing on the Valuation Day (plus any applicable conversion charge). Any Conversion Request received after the Cut-Off Time will be deemed to be received on the immediate next Conversion Dealing Day and will be converted on the basis of the Net Asset Value per Share determined on the immediate following applicable Valuation Day. All Conversion Requests will be processed strictly in the order in which they are received.

A conversion order may require the conversion of currency from one Class or Sub-fund to another. In such event, the number of Shares of the new Class or Sub-fund obtained on a conversion will be affected by the net foreign currency exchange rate, if any, applied to the conversion.

The rate at which all or part of the Shares of one Sub-fund (the “**Initial Sub-fund**”) are converted into Shares of another Sub-fund (the “**New Sub-fund**”), or all or part of the Shares of a particular Class (the “**Initial Class**”) are converted into another Class (the “**New Class**”) is determined in accordance with the following formula:

– 
$$A = ((B \times C \times D) \times (1 - E)) / F$$

– where:

- A is the number of Shares to be allocated in the New Sub-fund or New Class;
- B is the number of Shares of the Initial Sub-fund or Initial Class to be converted;
- C is the Net Asset Value per Share (after application of a possible swing factor) of the Initial Class or the Initial Sub-fund determined on the relevant Valuation Day;
- D is the actual rate of foreign exchange on the day concerned applied to conversions between Sub-funds or Classes Shares denominated in different currencies, and is equal to 1 in relation to conversions between Sub-funds or Classes of Shares denominated in the same currency;

- E is the conversion fee percentage payable per Share, if any; and
- F is the Net Asset Value per Share (after application of a possible swing factor) of the New Class of Shares or the relevant Class of the New Sub-fund determined on the relevant Valuation Day, plus any taxes, sale charges, commissions or other fees levied on a per-Share basis.

Following such conversion of Shares, the Board and the Agent will inform the relevant Shareholder of the number of Shares of the New Class or New Sub-fund obtained by conversion and the price thereof. Fractions of Shares in the New Class or New Sub-fund to four decimal places may be issued, the Company being entitled to receive the adjustment.

### **9.3 Limits on conversion**

The Company is not bound to deal with a conversion of Shares received in relation to any Valuation Day if, after the conversion, the Shareholder would be left with a balance of Shares having a value of less than the current Minimum Holding amount in the relevant Class and/or Sub-fund as detailed in the Appendices; in which case the Company may decide that this request be treated as a request for conversion of the full balance of the Shareholder's holding of Shares in such Class and/or Sub-fund.

## **10. TEMPORARY SUSPENSION OF SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS**

No Shares will be issued and the right of any Shareholder to require the redemption or conversion of its Shares of the Company will be suspended during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Company pursuant to the powers contained in the Articles and as described in section 11.2 "Suspension of the determination of the Net Asset Value".

Notice of suspension will be given to subscribers and to any Shareholders tendering Shares for redemption or conversion. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification by letter or by fax is received by the Agent before termination of the period of suspension, failing which subscription, redemption and conversion applications not withdrawn will be processed on the first Subscription/Redemption/Conversion Dealing Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on the next immediate Valuation Day.

## **11. NET ASSET VALUE**

### **11.1 Determination of the Net Asset Value**

The Net Asset Value per Share of each Class and/or Sub-fund shall be calculated at the fair value by the Agent on the basis of the valuation performed by the Independent Valuer. The valuation of the assets of the Company is performed by the Independent Valuer on the basis of a pricing policy determined by the AIFM in accordance with 26 (4) of the RAIF Law and article 17 of the AIFM Law.

The Net Asset Value per Share of each Class, and/or Sub-fund will be expressed in the Reference Currency of the Sub-fund. The AIFM may however decide to calculate the Net Asset Value per Share for certain Sub-funds/Classes of Shares in the Other Denomination Currency as further detailed for the respective Sub-funds/Classes of Shares in the relevant Appendix. The Net Asset Value calculated in the Other Denomination Currency is the equivalent of the Net Asset Value in the Reference Currency of the Sub-fund converted at the prevailing exchange rate.

The Net Asset Value per Share of each Class in each Sub-fund on any Valuation Day is determined by dividing the value of the total assets of that Sub-fund properly allocable to such Class less the

liabilities of such Sub-fund properly allocable to such Class by the total number of Shares of such Class outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Classes will differ within each Sub-fund as a result of, among other things, the differing fee structure and/or distribution policy of each Class.

The AIFM acting as Independent Valuer will notably apply the basic accounting principles for determining the value of the assets of the Company as set forth in the Articles, the material provisions of which provide as follows:

(a) Securities which are listed on a stock exchange or dealt in on another Regulated Market and/or MTF will be valued at the last closing price on the exchange on which the trade in such assets occurred or on that which is normally the principal market for such assets.

(b) Securities which are not listed on a stock exchange nor dealt in on another regulated and/or MTF market will be valued on the basis of the probable net realisation value (excluding any deferred taxation) estimated with care and in good faith by the AIFM. If a net asset value is determined for the units or shares issued by an Investment Structure which calculates a net asset value per limited share or unit, those units or shares will be valued on the basis of the latest net asset value determined according to the provisions of the particular issuing documents of this Investment Structure or, at their latest unofficial net asset values (i.e. estimates of net asset values which are not generally used for the purposes of subscription and redemption or which may be provided by a pricing source – including the investment manager of the Investment Structure – other than the administrative agent of the Investment Structure) if more recent than their official net asset values. The net asset value calculated on the basis of unofficial net asset values of Investment Structures may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the Investment Structures. However, such net asset value is final and binding notwithstanding any different later determination. In case of the occurrence of an evaluation event that is not reflected in the latest available net asset value of such shares or units issued by such Investment Structures, the valuation of the shares or units issued by such Investment Structures may be estimated with prudence and in good faith by the AIFM to take into account this evaluation event. The following events qualify as evaluation events: capital calls, distributions or redemptions effected by the Investment Structure or one or more of its underlying investments as well as any material events or developments affecting either the underlying investments or the Investment Structures themselves.

(c) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate by the AIFM in such case to reflect the true value thereof.

(d) The liquidating value of derivatives, forward or options contracts not dealt on a stock exchange or on another Regulated Markets and/or MTF shall mean their net liquidating value determined, pursuant to the policies established by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on a stock exchange or another Regulated Markets and/or MTF shall be based upon the last available settlement prices of these contracts on such Regulated Markets and/or MTF on which the particular futures, forward or options contracts are dealt in by the relevant Sub-fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable. The AIFM may rely on confirmation from the principal

broker and its affiliates in determining the value of assets held for the Sub-fund's account.

(e) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the AIFM;

(f) All other securities and other assets, including debt securities and securities or assets for which no market quotation is available, are valued on the basis of dealer-supplied quotations or by a pricing service approved by the AIFM or, to the extent such prices are not deemed to be representative of market values, such securities and other assets shall be valued at fair value as determined in good faith pursuant to procedures established by the AIFM. Money market instruments held by the Company with a remaining maturity of ninety days or less will be valued by the amortized cost method, which approximates market value.

The AIFM may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Company and/or its Sub-funds in compliance with Luxembourg laws. This method will then be applied in a consistent way. The Agent can rely on such deviations as approved by the AIFM for the purpose of the Net Asset Value calculation.

The total Net Asset Value of the Company is equal to the sum of the Net Asset Value of the various activated Sub-funds translated into EUR at the rates of exchange prevailing in Luxembourg on the relevant Valuation Day.

## **11.2 Suspension of the determination of the Net Asset Value**

The Board may suspend the determination of the Net Asset Value of any particular Sub-fund and/or Class and the issue and redemption of the Shares of any such Class in such Sub-fund as well as the conversion from and to Shares of any such Class of such Sub-fund:

- (a) during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of any Sub-fund of the Company from time to time is quoted, is closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by any Sub-fund of the Company would be impracticable;
- (c) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-fund or the current prices or values on any market or stock exchange;
- (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of any Sub-fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares of any Sub-fund cannot in the opinion of the Directors be effected at normal prices or rates of exchange;
- (e) during any period when the Company is being liquidated or as from the date on which notice is given of a meeting of Shareholders at which a resolution to liquidate the Company (or one of its Sub-funds) is proposed;

- (f) when for any other reason the prices of any investments owned by the Company attributable to such Sub-fund cannot promptly or accurately be ascertained;
- (g) Any other circumstances beyond the control of the Board as determined by the Directors in their discretion.

Notice of Suspension of the determination of the Net Asset Value will be given to the Shareholders of the relevant Sub-fund and/or Class.

The suspension of the calculation of the Net Asset Value of any particular Sub-fund, and/or Class shall have no effect on the determination of the Net Asset Value per Share or on the issue, redemption and conversion of Shares of any Class and/or Sub-fund that is not suspended.

Any application for subscription, redemption or conversion of Shares shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value of the Shares to be subscribed, redeemed or converted in a specific Class and/or Sub-fund and, in such event, a withdrawal will only be effective if written notification is received by the Agent before the termination of the period of suspension.

### **11.3 Swing Pricing**

A Sub-fund may suffer dilution of the Net Asset Value as a result of transaction and other costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by significant subscriptions, redemptions and/or conversions in and out of the Sub-fund, as determined by the Board of Directors. If on any Business Day the total transactions in Shares of all Classes of a Sub-Fund result in a net increase or decrease in the number of Shares outstanding, the Board of the Directors may, in order to protect Shareholder's interests, implement a swing pricing mechanism and adjust the calculation of the Net Asset Value of such Sub-fund by an amount which reflects (i) the transaction and other costs incurred in the purchase and sale of the Sub-fund's underlying investments and (ii) the spread between the buying and selling prices of such investments caused by such significant net increase or decrease in the number of Shares outstanding. The adjustment will be an increase of the Net Asset Value in case of a significant volume of net subscriptions or conversions into the relevant Sub-fund, and a reduction of the Net Asset Value in case of a significant volume of net redemptions or conversions out of the relevant Sub-fund.

Should the Board of Directors decide to apply a swing pricing mechanism to a specific Sub-fund, the Appendices to this Issuing Document shall disclose the swing factor's rate as well as the threshold if applicable both under normal and unusual market conditions.

For the avoidance of doubt, the swing pricing mechanism is applied on the capital activity at the level of the Sub-fund and does not address the specific circumstances of each individual investor transaction. If applicable, any performance fee will be accrued and charged on the basis of the unswung NAV.

## **12. DIVIDENDS**

Each Share of each Class in each Sub-fund may give the right to dividends unless it is referenced as a capitalization Share in the relevant Appendix.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Company would

fall below the equivalent of EUR 1,250,000.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Class within the relevant Sub-fund.

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

### **13. CHARGES AND EXPENSES**

#### **13.1 Organizational Expenses**

The Company shall bear its organizational expenses.

The Company's organizational set-up expenses will be amortized over a period of five years from the date on which the respective Sub-Fund commenced business. In other words, the additional sub-funds will bear a "*prorata*" of the costs and expenses incurred in connection with the incorporation of the Company and the initial issue of Shares. The Board may, in its absolute discretion, shorten the period over which such costs and expenses are amortized

The expenses incurred by the Company in relation to the launch of additional Sub-Funds will be borne by and payable out of the assets of the respective Sub-Funds and may be amortized on a straight line basis over 5 years from the launch date of the relevant Sub-Fund, unless the Board shortens this period.

#### **13.2 Operation and Administration Expenses**

Except otherwise specified in the relevant Appendix, each Sub-fund will bear all costs relating to its establishment and operations. These costs may, in particular and without being limited to the following, include the remuneration of the Domiciliary Agent, the Depositary Bank and of the Agent, the remuneration of the AIFM, the remuneration of any delegated investment manager and Investment Adviser(s) (if any), Performance Fees, remuneration of the directors and reimbursement of their reasonable expenses, insurance of the Board of Directors and any other providers of services, brokerage fees, transaction fees and expenses, taxes and costs connected with the movements of securities or cash, performance reporting and NAV publication, as well as the fees of the Auditor, legal advisor(s) and other professional services relating to the management of the Company and its Sub-funds, the costs of preparation and distribution of the Issuing Document, Luxembourg subscription tax or any other taxes, translations and legal publications, the costs of securities servicing, the possible costs of listing on any stock exchange or of publication of the price of its Shares, the costs of official deeds and any legal costs relating thereto, the costs and expenses incurred for the registration of the Company and maintenance of this registration (including the costs of any paying agents and local representatives of the Company) with government authorities and stock exchanges in the Grand Duchy of Luxembourg or abroad.

In addition, any reasonable disbursements and out-of-pocket expenses, including telephone, facsimile, electronic transmission and postage expenses etc. incurred by the AIFM, the Depositary, the Agent or the Domiciliary Agent within the framework of their mandates, as well as correspondents' costs, will be borne by the relevant Sub-fund of the Company.

#### **13.3 Depositary and Agent**

Caceis Bank, Luxembourg Branch, in its capacity as Agent and as Depositary is entitled to receive from the Company its customary fees payable at the end of each month and charges at rates in

accordance with normal banking practice in Luxembourg

#### **13.4 Allocation of liabilities**

Any charges and costs attributable to a specific Sub-fund will be allocated directly to that Sub-fund.

Any charges and costs that are not directly attributable to a specific Sub-fund will be allocated equally to the various Sub-funds or, if the amounts so require, they will be allocated to the Sub-funds in proportion to their respective Net Asset Value.

#### **14. CONFLICT OF INTERESTS**

With respect to conflict of interests, and as per the AIFM Law and AIFM Regulation, the AIFM has established, implements and maintains a conflict of interests policy in order to identify circumstances that may give rise to a conflict of interests which may constitute a material risk of damage to the Company and detailing proportionate measures in order to manage such risks.

#### **15. 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 taxing jurisdiction other than Luxembourg.**

##### **15.1 General Luxembourg tax implication at the level of the Company**

In Luxembourg, the Company is not subject to taxation on its income, profits or gains. The Company is not subject to net wealth tax.

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

The Company is subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.01% per annum based on the net asset value of the Company at the end of the relevant quarter, calculated and paid quarterly.

Subscription tax exemption applies to (i) the Company's investments in other UCIs, which have already borne the Luxembourg subscription tax, (ii) SIFs or RAIFs which opt for the SIF regime as well as individual compartments, in case of multiple compartments, whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, and, whose weighted residual portfolio maturity does not exceed 90 days, and, which have obtained the highest possible rating from a recognized rating agency, (iii) SIFs or RAIFs which opt for the SIF regime whose securities are reserved for institutions for occupational retirement and analogous entities, and, (iv) SIFs or RAIFs which opt for the SIF regime as well as individual compartments whose main object is the investment in microfinance institutions.

## 15.2 Luxembourg tax treatment of income repatriation

Amounts allocated by the Company to any of its shareholders will not be subject to Luxembourg WHT<sup>1</sup>.

The regular income of the Company from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

## 15.3 Luxembourg Value Added Tax (“VAT”) analysis at the level of the Company

In Luxembourg, regulated investment funds such as SICAV-SIFs have the status of taxable persons for VAT purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from non-Luxembourg suppliers which are not registered for VAT purposes in Luxembourg.

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

## 15.4 Luxembourg tax analysis of shareholders of the Company

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<sup>1</sup> Article 45 of the RAIF Law.

### **Luxembourg resident individuals**

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

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

or

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

Distributions made by the Company will be subject to 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 corporates**

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 26.01% (in 2018 for entities having their registered office in Luxembourg-City) on the distribution received



from the Company and the gains received upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) UCIs, (ii) SIFs or RAIFs treated as SIFs for Luxembourg tax purposes, or (iii) family wealth management companies subject to the 2007 Law, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) a UCI, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 relating to the investment company in risk capital ("SICAR") or RAIFs treated as SICARs for Luxembourg tax purposes, (iv) SIFs or RAIFs treated as SIFs for Luxembourg tax purposes, or (v) a family wealth management company subject to the 2007 Law. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%.

#### **Non Luxembourg resident Shareholders**

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.

### **15.5 FATCA**

Certain sections of the Code, commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA," generally impose a requirement of reporting to the US Internal Revenue Service ("IRS") of US persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. On 28 March 2014, Luxembourg has signed the Intergovernmental Agreement ("IGA") with the United States, in order to facilitate compliance of entities like the Company, with FATCA and avoid the above-described US withholding tax. Under the IGA, some Luxembourg entities like the Company will have to provide the Luxembourg tax authorities with information on the identity, the investments and the income received by certain of their U.S.. The Luxembourg tax authorities will then automatically pass the information on to the IRS. Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholders of the Company;
- Require any shareholders of the Company to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority,
- Withhold the payment of any dividend or redemption proceeds to a shareholders of the Company until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

All prospective investors are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

## **15.6 Common Reporting Standard**

The Luxembourg law on the automatic exchange of financial information in the field of taxation (so called “Common Reporting Standard” or “CRS Law”) was enacted on 18 December 2015 and entered into force on 1 January 2016. The law implemented the European Directive 2014/107/EU of 9 December 2014 which in turn amended the Directive 2011/16/EU.

The CRS law obliges Financial Institutions (as defined in the CRS Law) to collect information of their investors to identify their tax residence and to provide annually certain specific financial account information to their respective tax authorities via the Luxembourg tax authorities.

The automatic exchange of specific financial account information in the field of taxation has been introduced among Luxembourg and all other European Union Member States, as well as other jurisdictions that have signed the Multilateral Competent Authority Agreement (“MCAA”).

No reporting is required in case the Company opts for the Collective Investment Vehicle (“CIV”) status. In general, the Company may choose the CIV status provided that all of the interests in the collective investment vehicle are held by or through individuals or entities such as corporation, partnership, trust, or foundation that are neither reportable persons nor passive NFE (as defined in the CRS Law) controlled by reportable persons.

If the Company cannot opt for the CIV status, it should qualify as Reporting Luxembourg Financial Institution and therefore subject to collect and process certain financial account information about their investors.

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

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

Any shareholders that fails to comply with the Company’s documentation requests may be charged with any taxes and penalties imposed on the Company and attributable to such shareholder’s failure to provide the information and the Company may, in its sole discretion, redeem the shares of such shareholders.

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

## **16. REPORTS AND NOTICES**

### **16.1 Reporting to Shareholders**

The annual report will be made available for each financial year no later than six months following the end of the financial year to which the report refers. The annual report are available to Shareholders on request.

The accounting information given in the annual report will be prepared in accordance with the accounting standards authorised in Grand Duchy of Luxembourg (i.e. Lux GAAP) and the accounting rules are laid down in the Articles of the Company and in respect to the provisions of the AIFM Law and the AIFM Regulation.

The accounting information provided in the annual report are audited by the Auditor which is empowered by Luxembourg law to audit accounts in accordance with the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts.

## **16.2 Notices**

All notices and notifications to Shareholders will be sent by registered mail at their address in the Shareholders register or in the manner as stated in the Subscription Request of the Shareholders.

## **17. LIQUIDATION OF THE COMPANY - TERMINATION, DIVISION AND AMALGAMATION OF SUB-FUNDS OR CLASSES**

### **17.1 Dissolution and Liquidation of the Company**

The Company may at any time be dissolved by a resolution taken by the general meeting of Shareholders subject to the quorum and majority requirements as defined in the Articles of Incorporation of the Company.

Whenever the capital falls below two thirds of the legal minimum capital, the Board must submit the question of the dissolution of the Company to the general meeting of Shareholders. The general meeting, for which no quorum shall be required, shall decide on simple majority of the votes of the Shares present and represented at the meeting.

The question of the dissolution of the Company shall also be referred to the general meeting of Shareholders whenever the capital falls below one quarter of the minimum capital. In such event, the general meeting shall be held without quorum requirements, and the dissolution may be decided by the Shareholders holding one quarter of the votes present and represented at that meeting.

The meeting must be convened so that it is held within a period of 40 days from when it is ascertained that the Net Asset Value of the Company have fallen below two thirds or one quarter of the legal minimum as the case may be.

The issue of new Shares by the Company shall cease on the date of publication of the notice of the general meeting of Shareholders, to which the dissolution and liquidation of the Company shall be proposed. One or more liquidators shall be appointed by the general meeting of Shareholders to realize the assets of the Company, subject to the supervision of the relevant supervisory authority in the best interests of the Shareholders. The proceeds of the liquidation of each Sub-fund, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by Shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignations* in Luxembourg until the statutory limitation period has lapsed.

### **17.2 Termination of a Sub-fund or Class**

In the event that for any reason the value of the Net Asset Value of any Sub-fund and/or Class has decreased to, or has not reached, an amount determined by the Board to be the minimum level for

such Sub-fund and/or Class to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation relating to such Sub-fund and/or Class would have material adverse consequences on the investments of that Sub-fund and/or Class, or as a matter of economic rationalization, the Board may decide to compulsorily redeem all the Shares of the relevant Sub-fund and/or Class at their Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) as calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the Shareholders of the relevant Sub-fund, and/or Class prior to the effective date for the compulsory redemption, which will set forth the reasons for, and the procedure of, the redemption operations. Registered Shareholders shall be notified in writing.

Unless otherwise decided in the interests of, or to keep equal treatment between, the Shareholders of the Sub Fund and/or Class concerned may continue to request redemption of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-fund, and/or Class.

Notwithstanding the powers conferred to the Board by the preceding paragraphs, the general meeting of Shareholders of any Sub-fund and/or Class may, upon proposal from the Board, resolve to redeem all the Shares of the relevant Sub-fund and/or Class and to refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined with respect to the Valuation Day on which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders, which shall resolve at the simple majority of those present and represented.

Assets which could not be distributed to their owners upon the implementation of the redemption will be deposited with the Depositary Bank for a period of six months thereafter; after such period, the assets will be deposited with the *Caisse de Consignations* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled by the Company.

### **17.3 Amalgamation, Division or Transfer of Sub-funds or Classes**

Under the same circumstances as provided above in the section 17.2 "Termination of a Sub-fund and/or Class" of this Issuing Document, the Board may decide to allocate the assets of any Sub-fund and/or Class to those of another existing Sub-fund and/or Class within the Company or to another Luxembourg undertaking for collective investment or to another Sub-fund and/or Class within such other Luxembourg undertaking for collective investment (the "**new Sub-fund**") and to redesignate the Shares of the relevant Sub-fund and/or Class as Shares of another Sub-fund and/or Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described above in the section 17.2 "Termination of a Sub-fund and/or Class" of this Issuing Document (and, in addition, the publication will contain information in relation to the new Sub-fund), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.

Under the same circumstances as provided above in the section 17.2 "Termination of a Sub-fund and/or Class" of this Issuing Document, the Board may decide to reorganize a Sub-fund and/or Class by means of a division into two or more Sub-funds or Classes of Shares. Such decision will be published in the same manner as in section 17.2 "Termination of a Sub-fund and/or Class" of this

Issuing Document (and, in addition, the publication will contain information about the two or more new Sub-funds) one month before the date on which the division becomes effective, in order to enable the Shareholders to request redemption or conversion of their Shares free of charge during such period.

Notwithstanding the powers conferred to the Board by the preceding paragraphs, such a reorganization of a Sub-fund and/or Class within the Company (by way of an amalgamation or division) may be decided upon by a general meeting of the Shareholders of the relevant Sub-fund and/or Class. There shall be no quorum requirements for such general meeting and it will decide upon such an amalgamation or division by resolution taken at the simple majority of those present or represented.

A contribution of the assets and of the liabilities distributable to any Sub-fund and/or Class to another undertaking for collective investment referred to in the first paragraph of this section 17.3 to another Sub-fund and/or Class within such other undertaking for collective investment shall, require a resolution of the Shareholders of the Sub-fund and/or Class concerned, taken with a 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented at such meeting, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type (*fonds commun de placement*) or a foreign based undertaking for collective investment, in which case resolutions shall be binding only upon such Shareholders who will have voted in favour of such amalgamation.

#### **18. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection by the Shareholders at the registered office of the Company during normal business hours:

- the Issuing Document;
- the Articles of Incorporation of the Company;
- the latest annual report of the Company (if available);
- the latest Net Asset Value; and
- the key information document (KID) pursuant to the PRIIP Regulation (EU) 1286/2014, if available.

A copy of the Issuing Document of the Company, of its Articles of Incorporation and of its last annual report may be obtained free of charge upon request of the Shareholders.

#### **19. DATA PROTECTION POLICY**

Pursuant to the Luxembourg Data Protection law of 2002 (as amended from time to time), and, after replacement, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, any personal data that is furnished in connection with an investment in the Company may be held on computers and processed by the Company, the AIFM, the Depositary and the Agent or their delegates as data processor, as appropriate, with the latter however only acting on documented instruction from the Company, behaving as data controller. Personal data processed will be as follows: investor's name, investor's address, tax identification number(s) of the investor, date and place of birth of the investor, account number of the investor or its functional equivalent (the "Personal Data"). Personal Data may be

processed for the purposes of carrying out the services of the Board, the AIFM, the Depositary and the Agent and to comply with legal obligations, including legal obligations under applicable company law and anti-money laundering legislation as well as other applicable regulation like the Foreign Account Tax Compliance Act (FATCA) and the Luxembourg law on the automatic exchange of financial information in the field of taxation (so called Common Reporting Standard). Personal Data may be used in connection with investments in other investment fund(s) managed or administered by the AIFM. Personal Data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as auditors, regulators, and agents of the Company, the AIFM, the Depositary, or the Agent who process such data, for the purposes of surveillance of market timing activities, for anti-money laundering purposes, or for compliance with foreign regulatory requirements.

No Personal Data shall be disclosed without prior specific written authorization of the Company. By subscribing to the Company, investors consent to the processing of their Personal Data and the disclosure of their Personal Data by the parties above in the parties' legitimate interest, including to companies situated in countries outside of the European Economic Area, which may not have the same data protection laws as in Luxembourg. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Further details with respect to the companies to which Personal Data might be disclosed as well as the related processes/treatments involving such data can be found in the subscription agreement. Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation.

Reasonable measures have been taken to ensure confidentiality of the Personal Data transmitted within the AIFM and the Company. However, due to the fact that the information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

The AIFM and the Company will accept no liability with respect to any unauthorized third party receiving knowledge of or having access to such Personal Data, except in the case of negligence by the AIFM and/or the Company.

Investors have a right of access and of rectification of the Personal Data in cases where such data is incorrect or incomplete by writing to the Company at the following address:

PCL RAIF  
2, rue d'Arlon  
L-8399Windhof

## 20. INDEMNIFICATION

To the fullest extent permitted by the Issuing Document, and by applicable law, the Company shall indemnify each of the Directors, the AIFM, and any of its subsidiaries and holding companies and the subsidiaries or any such holding company and its and their respective directors, officers, employees, advisers and agents, (each referred to as an "**Indemnified Person**") against any and all claims, liabilities, losses, damages, settlements, taxes (other than regular income tax), costs and expenses (including reasonable attorneys' and other advisors' fees) to which they may directly or indirectly become subject by reason of their activities (or activities of any of their agents or other third parties) on behalf of the Company, but only to the extent that the Indemnified Person (i) did not act in a manner deemed at the time to be manifestly against the interest of the Company and (ii) acted in a manner constituting neither gross negligence nor willful misconduct.



## APPENDIX TO THE ISSUING DOCUMENT SUB-FUNDS

The Sub-funds are the following:

- **Zindel Global Quantitative Fund**
- **MC Equity Investment**
- **Afraé Africa Equity Fund**

*For the avoidance of doubt all the foregoing definitions of Section 1 “Definitions” shall apply to the following Appendices.*

*In case of discrepancy or any inconsistency between provisions contained in the general part of the Issuing Document and the Appendices, the provisions of the Appendices shall ever prevail over those of general part.*



## Appendix I

### **ZINDEL Global Quantitative Fund**

<b>Reference Currency</b>	USD
<b>Designation</b>	<b>ZINDEL Global Quantitative Fund</b> (the “ <b>Sub-fund</b> ”)
<b>Launch Date of the Sub-fund</b>	2 November 2018
<b>Term of the Sub-fund</b>	The Sub-fund is created for an unlimited duration.
<b>Initial Subscription Period</b>	From the launch date until 19 November 2018, the Initial Subscription Period could have been extended by a decision of the Board.
<b>Valuation Day</b>	Last Business Day of each week except for December for which 31st December shall be the last Valuation Day and any other Business Day as may be decided from time to time by the Board.  If Valuation Day is a bank holiday, then Valuation Day will be the next Business Day.
<b>Subscription Dealing Day</b>	1 Business Day preceding the Valuation Day
<b>Redemption Dealing Day</b>	For Class I-USD 6 months preceding the Valuation Day For Classes II-USD, III-USD and Class IV-USD 5 Business Days preceding the Valuation Day
<b>Conversion Dealing Day</b>	For Class I-USD 6 months Business Days preceding the Valuation Day For Class II-USD, Class III-USD and Class IV-USD 5 Business Days preceding the Valuation Day
<b>Settlement Day</b>	3 Business Days following the Valuation Day
<b>Cut-Off Time</b>	3 p.m. Luxembourg time on the relevant Subscription/Redemption/Conversion Dealing Day
<b>Gross Net Asset Value Per Share</b>	The Net Asset Value per Share before the accrual of Performance Fee.
<b>Performance Fee Calculation Method</b>	Calculation method to ensure the equitable treatment of new, existing and exiting investors of a Class and the AIFM in view of Performance Fee calculation.
<b>Peak Net Asset Value per Share</b>	The high water mark used in the calculation of the Performance Fee.
<b>Performance Fee</b>	Has the meaning ascribed to it under the performance fee section
<b>Performance Fee Period</b>	Period at the end of which Performance Fee becomes payable, if any.

## 1. Investment Objective and Policy

The Sub-fund pursues a long and short strategy in derivative instruments offering an exposure to commodities, currencies, equities, volatility and fixed-income with a diversified, non-discretionary, quantitative and systematic investment approach.

## 2. Investment Adviser

The AIFM has appointed Zindel Capital AG a public limited liability company established under Swiss law, to provide it with investment advisory services. For its services, the Investment Adviser will receive a remuneration which will be paid out of the Advisory Fee.

The Investment Advisers makes use of a systematic trading strategy (the “**Model**”) consisting of a collection of quantitative models designed to offer a high level of diversification. The Model is operated by an automated process (the “**Automated Process**”).

The Automated Process will generate the investment or divestment advice to be sent out electronically to the AIFM.

### Investment restrictions

The investment restrictions detailed in section 5 “Investment Power and Restrictions” of the general section of the Issuing Document shall apply to the Sub-fund.

The Sub-fund may also retain amounts in liquid assets pending reinvestment. In the pursuit of its investment policy and due to the use of financial derivative instruments, the Sub-fund can invest up to 100% of its net assets in liquid assets.

The ratio of total margin posted by the Sub-Fund to cover margin requirements (the margin to equity ratio) will be of 100% (one hundred percent), although on occasion the margin to equity ratio may be lower.

### Borrowing

The Sub-fund will not use borrowing

### Leverage

The maximum level of leverage permitted in respect of the Sub-fund is as follows:

(a) using the Gross Method for calculating exposure, the ratio is 3900% of the Net Asset Value of the Sub-Fund; and

(b) using the Commitment Method for calculating exposure, the ratio is 3900% of the Net Asset Value of the Sub-Fund.

*The high leverage is mainly driven by short term interest rate futures contracts (fixed income instruments with a duration of 3 months used for duration management). The short duration exposure combined with the low volatility of near-term interest rates leads to an extremely low volatility in those instruments and therefore requires large notional positions in order to achieve a meaningful exposure in those markets. Accordingly, the high notional leverage is not necessarily representative of economic risk in the Fund.*

### Broker

In implementing its strategy the Sub-fund will be dealing through ADM Investor Services (Chicago) acting as principal broker to the Sub-fund with respect to the transactions.

### Form of Shares and Classes

The Share Classes of the Sub-fund will only be issued in registered form to Well-Informed Investors only, as further defined in the General Part of the Issuing Document.

	<b>Class I - USD</b>	<b>Class II - USD</b>	<b>Class IV- USD</b>
<b>Type of Investors</b>	Seed investors Private Unlisted	Well-Informed investors	Management team Private Unlisted
<b>Minimum initial Subscription and holding</b>	USD 1,500,000	USD 500,000	USD 100
<b>Type of the Shares</b>	Capitalization Type	Capitalization Type	Capitalization Type
<b>Advisory Fee</b>	1,0%	1,5%	0%
<b>Performance Fee Rate</b>	10,0%	15,0%	0%

### Offering of Shares

Within the Initial Subscription Period, Shares of any Class in this Sub-fund will be offered at the Initial Price indicated in the table above for each Class of Shares.

Except for the Initial Subscription, Shares of any Class in this Sub-fund are issued at the Minimum Subscription Amount set forth above.

### Subscription Charge

A Subscription Charge of up to 1% of the relevant Subscription Price may be levied on Share Classes I and II on the Subscription Price to compensate financial intermediaries and other persons who assist in the placement of shares .

### Advisory Fee

The Investment Advisor is entitled to receive from the Company a fixed annual advisory fee at the rates as described in chart above.

The Investment Advisory Fee is calculated as a percentage of the Net Asset Value of each Class of Shares of the Sub-fund and is accrued weekly and paid monthly.

### AIFM Fee

The AIFM is entitled to receive a maximum annual AIFM fee of 0,15% of the Net Asset Value of the Sub-Fund as a result of the following calculation:

- for AUM up to 75 MUSD a fee of 0,15%;
- for AUM between 75 MUSD and 150 MUSD a fee of 0,10%;

- for AUM between 150 MUSD and 300 MUSD a fee of 0,075%; and
- for AUM greater than 300 MUSD a fee of 0,05%;
- with a minimum at the Sub-fund level of
  - EUR 20.000 per year the first year,
  - EUR 25 000 the second year; and
  - EUR 33 000 as from the third year.

This fee is calculated as a percentage of the Net Asset Value of each Class of Shares of the Sub-fund and is accrued weekly and paid monthly.

This minimum AIFM Fee may vary but will not exceed EUR 49.500.

The AIFM will charge in addition of the above-mentioned fee scale an administrative fee of maximum EUR 11.000 per year VAT excluded. This administrative fee may vary but will not exceed EUR 16.500.

In addition to the above fees, the Company shall be reimbursed by the Fund, with the prior approval of Board of Directors for any reasonable disbursements and out-of-pocket expenses, including without limitation telephone, telex, cable, long-distance telephone calls, communications network, postage expenses, insurance, data filing with external providers, printing and publication costs incurred by it in carrying out the functions here above enumerated.

### **Performance Fee**

The Sub-Fund is entitled to charge on Class I-USD and Class II-USD Shares a performance fee at a rate defined in the above table of the Net Asset Value of the Sub-fund ( the “**Performance Fee**”).

The AIFM and the Investment Advisor are entitled to a performance fee as described in this section. The performance fee will be computed in accordance with this Appendix I of the Issuing Document.

For the purpose of this section a Share or Class of Shares or Share Class means a Share of Class I-USD or Class II- USD as the case may be.

The Performance Fee is based on the appreciation of the Gross Net Asset Value per Share in excess of the Peak Net Asset Value per Share, unless otherwise provided in this Appendix. It is payable at the rate and time period specified in this Appendix. The Peak Net Asset Value per Share is the greater of (i) the price at which Shares are issued at the close of the initial offering period, and, if applicable, (ii) the Net Asset Value per Share in effect immediately after the most recent Performance Fee Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined in the following section) was charged. If losses occur after a Performance Fee has been paid (become payable), the relevant Class will retain (the right to receive) the Performance Fee previously paid (payable), but will not receive any further Performance Fee until such losses have been recovered and new appreciation in the Gross Net Asset Value per Share has been achieved in excess of the Peak Net Asset Value per Share.

### **Performance Fee Calculation Method**

In addition to the management fee, the Management Company will apply a performance fee at the following rates calculated on the positive net return of the Sub-Fund calculated with reference to each Valuation Day.

This fee will be accrued only if the net value of the unit exceeds the highest value attained prior to the Valuation Day (“High Watermark”). The performance fee is calculated and booked with each calculation of the net asset value, provided that the foregoing conditions are met.

The performance fee is paid annually at the end of the fiscal year of the Fund with a weekly crystallization (Weekly Performance Fee Reference Period).

Calculation period shall correspond to each year. Performance fees are payable within 20 business days following the end of the fiscal year of the Fund.

The fee will correspond to a percentage of the sub-fund's higher net return, respectively for each class. If this difference is negative or equal to zero, the sub-fund will not pay any performance fee.

The performance fee is payable on an annually basis and is equivalent to a percentage of the NAV performance, when it is higher than the HWM ("high water mark"). The performance fee is calculated based on the net asset value after deducting any expenses and the management fee (but not the performance fee) and is adjusted in order to take subscriptions and redemptions into consideration.

In order to predict the performance fee that will need to be paid, for each net asset value calculation, if the sub-fund's net return, respectively for each class, since the last performance fee was paid, outperforms, the sub-fund records provisions each valuation day.

The performance reference period is equal to the whole life of the sub-fund and it cannot be reset.

Here below are some examples of the performance fee methodology of the sub-fund\*

Scenarios	NAV per share (T)	Fund Return Net of fees (Excl. Perf fee)	NAV per share (T+1) Excl. Perf fee calc	Outperformance compared to HWM	Performance Fee	Performance fee Amount paid per share	Initial High Watermark (T)	New High Watermark (T+1)	NAV per share (T+1) Incl. Perf fee calc
Performance Fee on Valuation Day #1	100,00	5,00%	105,00	5,00%	YES : 10%*outperformance	0,50	100,00	104,50	104,50
Performance Fee on Valuation Day #2	104,50	-3,00%	101,37	0%	NO	0,00	104,50	104,50	101,37
Performance Fee on Valuation Day #3	101,37	+6,00%	107,45	2,82%	YES : 10%*outperformance	0,29	104,50	107,15	107,15

Scenarios	NAV per share (T)	Fund Return Net of fees (Excl. Perf fee)	NAV per share (T+1) Excl. Perf fee calc	Outperformance compared to HWM	Performance Fee	Performance fee Amount paid per share	Initial High Watermark (T)	New High Watermark (T+1)	NAV per share (T+1) Incl. Perf fee calc
Performance Fee on	100,00	5,00%	105,00	5,00%	YES : 15%*outperformance	0,75	100,00	104,25	104,25

Valuation Day #1									
Performance Fee on Valuation Day #2	104,25	-3,00%	101,12	0%	NO	0,00	104,25	104,25	101,12
Performance Fee on Valuation Day #3	101,12	+6,00%	107,19	2,82%	YES : 15%*outperformance	0,44	104,25	106,75	106,75

\*For any avoidance of doubt, the above table is for illustrations purposes only and do not constitute a reliable indicator for future performance.

## Appendix II

### *MC Equity Investment*

<b>Reference Currency</b>	EUR
<b>Designation</b>	MC Equity Investment (the “ <b>Sub-fund</b> ”)
<b>Launch Date of the Sub-fund</b>	11 April 2022
<b>Term of the Sub-fund</b>	The Sub-fund is created for an unlimited duration.
<b>Initial Subscription Period</b>	Will be restricted to the launch date April 11, 2022, the Initial Subscription Period could have been extended by a decision of the Board.
<b>Valuation Day</b>	Every Thursday If Valuation Day is a bank holiday, then Valuation Day will be the next Business Day.
<b>Subscription Dealing Day</b>	2 Business Day preceding the Valuation Day
<b>Redemption Dealing Day</b>	2 Business Day preceding the Valuation Day
<b>Conversion Dealing Day</b>	2 Business Day preceding the Valuation Day
<b>Settlement Day</b>	2 Business Days following the Valuation Day
<b>Cut-Off Time</b>	3 p.m. Luxembourg time on the relevant Subscription/Redemption/Conversion Dealing Day

### **3. Investment Objective and Policy**

- The sub-fund seeks to maximize long-term risk-adjusted returns by investing primarily in European or US stocks
- The sub-fund seeks to invest in companies that present attractive valuations considering their growth prospects.
- The sub-fund invests, under normal market circumstances, at least 85% of its assets in equities listed in the European Union or in the United States.
- Any given stock exposure (or related security) shall not exceed 30% of the fund value.
- US stocks are denominated in USD, creating a USD currency exposure that the sub-fund does not necessarily seek to hedge.
- The sub-fund may actively invest up to 15% of its assets in derivative instruments (for which price varies according to the price of one or more underlying assets), in order to hedge a risk of loss, or to generate additional gains.
- Recommendation: this sub-fund may not be suitable for investors who plan to withdraw their contribution within five years. The sub-fund is not actively managed with reference to a specific benchmark index. Nevertheless, for informative purpose, the sub-fund performance is compared to a benchmark, discretionary composed by the Stoxx Europe 600 EUR (Bloomberg Ticker SXXP Index) and the S&P 500 (Bloomberg Ticker SPX Index). The repartition of the two indices in the benchmark reflects the fund's allocation.

### **4. Investment Manager**

The AIFM has delegated the investment management of the portfolio of the sub-fund to Omnium Capital Management a public limited liability company established under Swiss law. For its services, the Investment Manager will receive a Management Fee and a Performance Fee, as further described below.

### **5. Investment restrictions**

The investment restrictions detailed in section 5 "Investment Power and Restrictions" of the general section of the Issuing Document shall apply to the Sub-fund.

The sub-fund may also retain amounts in liquid assets pending reinvestment. In the pursuit of its investment policy and due to the use of financial derivative instruments, the Sub-fund can invest up to 100% of its net assets in liquid assets.

### **6. Borrowing**

The sub-fund will not use borrowing.

### **7. Leverage**

The investment manager does not expect to take leverage in the sub-fund. Nevertheless, the sub-fund may invest into derivative instruments in a limited proportion, which could create a limited amount of leverage. The maximum level of leverage of the sub-fund shall be 150% of the net assets under the gross method and 120% under the commitment method.

### **8. Form of Shares and Classes**



The share Classes of the sub-fund will only be issued in registered form to Well-Informed Investors only, as further defined in the General Part of the Issuing Document.

	<b>SHARE CLASS MC</b>	<b>SHARE CLASS Family</b>	<b>SHARE CLASS A</b>	<b>SHARE CLASS B</b>	<b>SHARE CLASS A CHF (*)</b>
<b>ISIN Code</b>	LU2449215073	LU2449215156	LU2449215230	LU2449215313	LU2449215404
<b>Type of Investors</b>	Mathieu Chandelier	Well-Informed investors	Well-Informed investors	Well-Informed investors	Well-Informed investors
<b>Minimum initial Subscription and holding</b>		EUR 100 000	EUR 100 000	EUR 100 000	CHF 100 000
<b>Initial Price</b>	EUR 100	EUR 100	EUR 100	EUR 100	CHF 100
<b>Type of the Shares</b>	Cap	Cap	Cap	Cap	Cap
<b>Subscription fee</b>	-	-	-	1.00%	-
<b>Annual expected ongoing charges (including the Annual Management Fee)<sup>1</sup></b>	0.30%	0.60%	1.20%	1.50%	1.20%
<b>Annual Management Fee</b>	0%	0.30 %	0.90%	1.20 %	0.90%
<b>Performance Fee Rate</b>	0%	10% over HWM	10% over HWM	10% over HWM	10% over HWM

*1- The Annual expected ongoing charges include all the costs borne by the sub-fund.*

*(\*) Share class A CHF will be launched at a later stage upon decision of the board of directors of the Company.*

## 9. Offering of Shares

Within the Initial Subscription Period, Shares of any Class in this sub-fund will be offered at the Initial Price indicated in the table above for each Class of Shares.

Except for the Initial Subscription, Shares of any Class in this sub-fund are issued at the Minimum Subscription Amount set forth above.

## 10. Management Fee

The Investment Manager is entitled to receive from the sub-fund a fixed annual management fee at the rates as described in chart above.

The Investment Management Fee is calculated as a percentage of the Net Asset Value of each Class

of Shares of the sub-fund and is accrued weekly and paid monthly.

## 11. AIFM Fee

The AIFM is entitled to receive a maximum annual AIFM fee of 0,10% of the Net Asset Value of the sub-fund as a result of the following calculation:

- for AUM up to 30 million EUR a fee of 0,10 %;
- for AUM between 30 million EUR and 100 million EUR a fee of 0,08 %;
- for AUM between 100 million EUR and 200 million EUR a fee of 0,06%; and
- for AUM greater than 200 million EUR a fee of 0,04 %;
- with a minimum at the Sub-fund level of EUR 20.000,- per year. This minimum annual fee is applicable from 6 months after the end of the initial subscription period.

This fee is calculated as a percentage of the Net Asset Value of each Class of Shares of the sub-fund and is accrued weekly and paid monthly.

This minimum AIFM Fee may vary but will not exceed EUR 30.000.

In addition to the above fees, the Company shall be reimbursed by the sub-fund, with the prior approval of Board of Directors for any reasonable disbursements and out-of-pocket expenses, including without limitation telephone, telex, cable, long-distance telephone calls, communications network, postage expenses, insurance, data filing with external providers, printing and publication costs incurred by it in carrying out the functions here above enumerated, provided that such out-of-pocket expenses shall not amount to more than EUR 1.000,- p.a.

## 12. Performance Fee

The Investment Manager is entitled to a Performance Fee equal to the percentages as described in the table above of the outperformance, in Year To Date basis (YTD), of the sub-fund over the High Water Mark (HWM).

The Performance Fee will be paid on an annual basis, at the end of the fiscal year of the Company.

The HWM shall be defined as the greater of the Net Asset Value per share as at the launch date and the highest Net Asset Value at the end of each calendar year.

The first year will be from the date of commencement of business of the relevant Class until the end of the first calendar year following the launch of that Class. .

### HWM evolution:

- If a performance fee is paid, we will report the NAV per share at the end of the calendar year as the last available HWM.
- If no performance fee is paid, we will report the previous HWM.

The performance reference period is equal to the whole life of the sub-fund and it cannot be reset. The NAV per share (for the purposes of the performance fee calculation) will also be adjusted to neutralize the impact of dividend paid, in the case of distributive share Classes. Any such dividends will be deducted as well from the HWM. The performance fee is calculated on the basis of the NAV per Share after deducting all expenses, costs and fees (but before Performance Fee), and adjusting for subscriptions, redemptions/conversions and distributions so that these will not affect the performance fee payable. In the event that a shareholder redeems or converts shares prior to the end of the performance fee period, any accrued but unpaid performance fee in respect of such shares will be crystallized and paid at the end of the relevant period.

The Performance Fee will be retained in reserve as of each Valuation Day and will accrue and crystallize at the end of the calendar year.. The performance fee is calculated net of all costs.

The percentage of outperformance is applied on the TNA reference (HWM x outstanding shares) amended by the dividend distributed by the Sub-fund.

Scenarios	NAV per share (T)	Fund Return Net of fees (Excl. Perf fee)	NAV per share (T+1) Excl. Perf fee calc	Outperformance compared to HWM	Performance Fee	Performance fee Amount paid per share	Initial High Watermark (T)	New High Watermark (T+1)	NAV per share (T+1) Incl. Perf fee calc
Performance Fee at the end of the first calendar year	100,00	+5,00%	105,00	5,00%	YES : 10%*outperformance	0,50	100,00	104,50	104,50
Performance Fee at the end of the second calendar year	104,50	-3,00%	101,37	0%	NO	0,00	104,50	104,50	101,37
Performance Fee at the end of the third calendar year	101,37	+6,00%	107,45	2,82%	YES : 10%*outperformance	0,29	104,50	107,15	107,15

### Appendix III

#### **AFRAE AM – AFRICA EQUITY FUND**

<b>Reference Currency</b>	USD
<b>Designation</b>	AFRAE AFRICA EQUITY FUND
<b>Launch Date of the Sub-fund</b>	TBC
<b>Term of the Sub-fund</b>	The Sub-fund is created for an unlimited duration.
<b>Initial Subscription Period</b>	Will be restricted to the launch date TBC, the Initial Subscription Period could have been extended by a decision of the Board.
<b>Valuation Day / Calculation Day</b>	Every Friday / Every Monday REM: If Valuation Day is a bank holiday, then Valuation Day will be the next Business Day.
<b>Subscription Dealing Day</b>	Subscriptions will be accepted in amount only Every Friday before 11:00 AM
<b>Redemption Dealing Day</b>	Every Friday before 11:00 AM
<b>Conversion Dealing Day</b>	Every Friday before 11:00 AM
<b>Settlement Day</b>	Subscriptions: Every Thursday, preceding the Valuation Day, before 11 :00 AM. Redemptions: 3 Business Days following the Calculation Day
<b>Cut-Off Time</b>	11:00 AM Luxembourg time on the relevant Subscription/Redemption/Conversion Dealing Day

### **13. Investment Objective and Policy**

The Fund aims to maximize capital appreciation and achieve a superior rate of return over the long term by investing in the shares of African publicly traded companies or international publicly traded companies that derive a significant economic benefit in Africa (revenues, profits, assets...) The Fund aims to achieve higher than market returns with lower risk through a disciplined investment approach.

The Fund will seek exposure to structural regional themes that benefit from long-term socio-economic trends, such as disruptive technologies that modify consumer behaviour and demographics (population growth and emerging middle class). The Fund will invest in a diversified portfolio of African or International small, mid and large capitalization equities, through a disciplined and long-term investment approach. The capital allocation will start with a Top-Down quantitative-based country allocation process to optimally diversify country risks and will be then supplemented by an in-depth Bottom-Up fundamental research for stock selection based on thorough regional, country, sector, industry and company analysis. The stock selection process identifies high-quality stocks with competitive advantages and reasonable valuations, poised to benefit from Africa's economic trends . The Fund may invest up to 100% of the assets in cash and short-term securities as market conditions may warrant. Investment shall be restricted to securities on recognized stock exchanges with a maximum exposure to any single issuer at market value not exceeding 15% of the Fund's Net Asset Value.

The Fund will invest only in countries that are opened through the sub custodians network from Caceis. The Fund will not invest in direct on the markets that are not approved by Caceis Network.

□

### **14. Investment Manager**

The AIFM has delegated the investment management of the portfolio of the sub-fund to AFRAE AM a public limited liability company established under Mauritius law. For its services, the Investment Manager will receive a Management Fee and a Performance Fee, as further described below.

### **15. Investment restrictions**

The investment restrictions detailed in section 5 "Investment Power and Restrictions" of the general section of the Issuing Document shall apply to the Sub-fund.

The sub-fund may also retain amounts in liquid assets pending reinvestment.

### **16. Borrowing**

The sub-fund can use borrowing for no more that 10% of its net assets, provided that such borrowing is on a temporary basis. Such borrowing may be used only for liquidity purposes (e.g., to cover if need be a cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases, redemptions or pay fees to a service provider).

### **17. Leverage**

The investment manager does not expect to take leverage in the sub-fund. The maximum level of

leverage of the sub-fund shall be 120% of the net assets under the gross method and 120% under the commitment method.

## 18. Form of Shares and Classes

The share Classes of the sub-fund will only be issued in registered form to Well-Informed Investors only, as further defined in the General Part of the Issuing Document.

	SHARE CLASS A USD	SHARE CLASS A EUR	SHARE CLASS B USD	SHARE CLASS B EUR
<b>ISIN Code</b>	<b>LU2845226484</b>	<b>LU2845226567</b>	<b>LU2845226641</b>	<b>LU2845226724</b>
<b>Type of Investors</b>	Well Informed Investors	Well Informed Investors	Well Informed Investors	Well informed Investors
<b>Minimum initial Subscription and holding</b>	USD 1 000 000	EUR 1 000 000	USD 100 000	EUR 100 000
<b>Hedging</b>	N/A	N/A	N/A	N/A
<b>Initial Price</b>	USD 100	EUR 100	USD 100	EUR 100
<b>Type of the Shares</b>	Acc	Acc	Acc	Acc
<b>Subscription fee</b>	N/A	N/A	N/A	N/A
<b>Annual Management Fee*</b>	1.5%	1.5%	2.5%	2.5%
<b>Performance Fee Rate</b>	20% with Hurdle rate of 10% HWM	20% with Hurdle rate of 10% HWM	20% with Hurdle rate of 10% HWM	20% with Hurdle rate of 10% HWM

\*Annual Management Fees include the distribution fees that will be retroceded to the various financial intermediaries involved in the marketing of the shares (Distributors).

## 19. Offering of Shares

Within the Initial Subscription Period, Shares of any Class in this sub-fund will be offered at the Initial

Price indicated in the table above for each Class of Shares.

Shares of any Class in this sub-fund are issued at the Minimum Subscription Amount set forth above.

## 20. Management Fee

The Investment Manager is entitled to receive from the sub-fund a fixed annual management fee at the rates as described in chart above.

The Investment Management Fee is calculated as a percentage of the Net Asset Value of each Class of Shares of the sub-fund and is accrued weekly and paid monthly.

## 21. AIFM Fee

The AIFM is entitled to receive a maximum annual AIFM fee of 0,10% of the Net Asset Value of the sub-fund as a result of the following calculation:

- for AUM up to 50 million EUR a fee of 0,10 %;
- for AUM between 50 million EUR and 100 million EUR a fee of 0,075 %;
- for AUM greater than 100 million EUR a fee of 0,05 %;
- Yearly minimum if the overall invoice is not above the minimum during the first two years starting at the opening of initial subscription period of the sub-fund – EUR 10.000.00
- Yearly minimum if the overall invoice is not above the minimum after the end of the **second anniversary** of the sub-fund - EUR 20.000.00

This fee is calculated as a percentage of the Net Asset Value of each Class of Shares of the sub-fund and is accrued weekly and paid monthly.

This minimum AIFM Fee may vary but will not exceed EUR 40.000.

In addition to the above fees, the Company shall be reimbursed by the sub-fund, with the prior approval of Board of Directors for any reasonable disbursements and out-of-pocket expenses, including without limitation telephone, telex, cable, long-distance telephone calls, communications network, postage expenses, insurance, data filing with external providers, printing and publication costs incurred by it in carrying out the functions here above enumerated, provided that such out-of-pocket expenses shall not amount to more than EUR 1.000,- p.a.

## 22. Performance Fee

The Investment Manager is entitled to a performance fee equal to 20% of the outperformance, in Year To Date basis (YTD), of share Class A & B of the sub-fund over a hurdle rate of 10% applied on the High Water Mark (HWM).

The performance fee will be paid on an annual basis, at the end of the fiscal year of the Fund. When launching a new share class, in order for the performance fee to be paid, the initial performance period calculation will be a minimum of one year.

The HWM shall be defined as the greater of the Net Asset Value per share as at the launch date and the highest Net Asset Value per share in effect immediately after the end of any subsequent performance period in respect of which a performance fee was payable.

HWM evolution:

- If a performance fee is paid, we will report the previous NAV per share on which the performance fee has been calculated as the last available HWM.



- If no performance fee is paid during the fiscal period, we will report the previous HWM.

The performance fee is calculated on the basis of the NAV per Share after deducting all expenses, costs and fees (but before performance fee), and adjusting for subscriptions, redemptions/conversions so that these will not affect the performance fee payable. In the event that a shareholder redeems or converts shares prior to the end of the performance fee period, any accrued but unpaid performance fee in respect of such shares will be crystallized and paid at the end of the relevant period.

The hurdle is reset each year to the level of the NAV at the end of the previous fiscal year end. The performance fee is calculated net of all costs.

The percentage of outperformance is applied on the TNA reference (HWM x outstanding shares)=

Here below are some examples of the performance fee methodology of the sub-fund\*

Scenarios	Hurdle Rate (HR)	Hurdle Rate (Reset each Year)	NAV per share	Fund Return Net of fees (Excl. Perf fee)	NAV per share (T+1)	Hurdle on HWM Threshold	Performance Fee	Performance fee Amount paid per share	Initial High Watermark	New High Watermark	NAV per share (T+1)
			(T)		Excl. Perf fee calc				(T)	(T+1)	Incl. Perf fee calc
Performance Fee #1 Year 1	10%		100	11,00%	111	110	YES : 20%*outperformance over HR	0,2	100	110,8	110,8
Performance Fee #2 Year 2	10%		110,8	-3,00%	107,48	121,88	NO	0	110,8	110,8	107,48
Performance Fee #3 Year 3	10%		107,48	6,00%	113,92	121,88	NO	0	110,8	110,8	113,92
Performance Fee #4 Year 4	10%		113,92	15,00%	131,01	121,88	YES : 20%*outperformance over HR	1,83	110,8	129,18	129,18

\*For any avoidance of doubt, the above table is for illustrations purposes only and do not constitute a reliable indicator for future performance.

### 23. Specific Exchange Rate Risk

Share classes of the sub-fund are not hedged against currency fluctuations. Investors investing into share classes of the sub-fund bear exchange rate risk. Exchange rate risk is a form of risk that arises from the change in price of one currency against another. The performance of unhedged share classes are therefore affected by movements in currency movements.

The sub-fund can suffer losses which reduces its Net Asset Value per share. The Company does not guarantee or protect the capital invested.

The risk factor described above is not exhaustive.

