

**ZENIT MULTISTRATEGY SICAV**  
Société d'Investissement à Capital Variable  
Luxembourg

**VISA 2017/109383-4444-0-PC**  
L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2017-09-27  
Commission de Surveillance du Secteur Financier



---

**Sub-Fund "ZENIT MULTISTRATEGY SICAV Global Opportunities"**

**Sub-Fund "ZENIT MULTISTRATEGY SICAV Stock-Picking PIR"**

**Sub-Fund "ZENIT MULTISTRATEGY SICAV Stability"**

**Sub-Fund "ZENIT MULTISTRATEGY SICAV Bond PIR"**

---

## INTRODUCTION

**ZENIT MULTISTRATEGY SICAV** (the "Fund") is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable".

The Fund is offering shares (the "Shares") of several separate sub-funds (individually a "Sub-Fund", collectively the "Sub-Funds") on the basis of the information contained in this prospectus (the "Prospectus") and in the documents referred to herein. No person is authorised to give any information nor to make any representations concerning the Fund other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser. Neither the delivery of the Prospectus nor the offer, sale or issue of Shares shall under any circumstances constitute a representation that the information given in the Prospectus is correct as at any time subsequent to the date hereof. An Addendum or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. For each Sub-Fund, the board of directors of the Fund (the "Board of Directors") may decide at any time to issue different classes of Shares (individually a "Class", collectively the "Classes") whose assets will be invested jointly according to the Sub-Fund's specific investment policy, but with specific features applicable to each class of Shares. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "Net Asset Value") per Share of the relevant Class or Sub-Fund, as defined in the Articles of Incorporation of the Fund (the "Articles").

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

The Fund has currently four Sub-Funds:

- ZENIT MULTISTRATEGY SICAV Global Opportunities
- ZENIT MULTISTRATEGY SICAV Stock-Picking PIR
- ZENIT MULTISTRATEGY SICAV Stability
- ZENIT MULTISTRATEGY SICAV Bond PIR

Where Shares Classes of individual Sub-Funds are listed on a Stock Exchange, the relevant Sub-Fund information in the part B of this Prospectus shall include a reference to this effect.

These Sub-Funds offer four classes of Shares which will differ in the status of the investors, the applicable minimum investment requirement and the applicable marketing fees:

- Class I Institutional Shares, intended for institutional investors
- Class R Retail Shares, intended for retail investors with distribution's agent
- Class P Private Shares, intended for individual investors with direct placement and for private investors through management or advisory mandate
- Class Q Shares, intended for all types of investors listed and tradable on a regulated European Stock Exchange

The valuation currency used for the Net Asset Values calculation will be the EUR for all classes of Shares for each Sub-Fund and for the consolidation of each Sub-Fund.

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly. The same applies in case of creation of additional classes of Shares.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

**Luxembourg** - The Fund is registered pursuant to Part I of the Luxembourg law of 17 December 2010, as amended, relating to undertakings for collective investment (the "Law of 2010"). However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

**European Union ("EU")** - The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS") for the purposes of the Council Directive EEC/65/2009, as amended ("UCITS Directive") and the Board of Directors of the Fund proposes to market the Shares in accordance with the UCITS Directive in certain Member States of the EU.

**United States of America ("USA")** - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 10 of the Articles and hereinafter.

The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "U.S. Person"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Articles give powers to the Board of Directors of the Fund to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The Fund may compulsorily redeem all Shares held by any such person.

### **Data protection**

Certain personal data of investors (including, but not limited to, the name, address and invested amount of each investor) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, the Depositary, the Administrative Agent, the Registrar Agent, the Domiciliary Agent and any other person who provides services to the Fund from time to time and the financial intermediaries of such investors. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, maintaining the register of shareholders, processing subscription, redemption and conversion orders and payments of dividends to shareholders and to provide client-related services, tax identification, and the

case may be by virtue of the savings directive or for compliance with the Foreign Account Tax Compliance Act. Such information shall not be passed on to any unauthorised third persons.

The Fund may sub-contract to another entity (the "Processor") (such as the Administrative, Registrar Agent) the processing of personal data. The Fund undertakes not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the investors.

The Fund may be required as part of its compliance with the FATCA to disclose to the US tax authorities via the Luxembourg tax authorities personal information related to specified US persons, non-participating foreign financial institutions (FFIs), and passive non-financial foreign entities (NFFEs) with one or more controlling person that is a specified US person.

Each investor has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Securities, each investor consents to such processing of its personal data.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he or she initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the Fund.

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

The Fund, the Management Company, the Transfer Agent and the Registrar and Distributors/Nominees may collect, record, transfer, process, use and hold personal information relating to investors in the Fund. Such information may inter alia be used to satisfy the identification obligations imposed by the laws and regulations against money laundering and terrorism financing. Such information will not be disclosed to unauthorised third parties. By subscribing the Fund's shares, the investor consents to the processing of personal information within this framework.

All references in the Prospectus to "EUR" are to the legal currency of the European Union Member States participating to the Economic Monetary Union.

All references in the Prospectus to "Business Day" refer to any day on which banks are open for business in Luxembourg City.

Shares of the various Sub-Funds must be subscribed solely on the basis of the information contained in the Prospectus and the Key Investor Information Document ("KIID"). The KIID is a pre-contractual document that contains key information for investors. It includes appropriate information about the essential characteristics of each Class of a particular Sub-Fund.

If you are considering subscribing for Shares, you should first read the KIID carefully together with the Prospectus and its appendices, which include in particular information on the various Sub-Funds' investment policies, and you should also consult the Fund's last published annual and semi-annual reports, copies of which are available from the following internet site <http://funds.degroofpetercam.lu/> or [www.fundsquare.net](http://www.fundsquare.net), from local agents, if any, or from the entities marketing the Shares and may be obtained upon request, free of charge, at the Fund's registered office.

## DIRECTORY

Board of Directors:

*Chairman*

Mr. Marco Simion, *Senior Portfolio Manager, Member of the Investment Committee*, Zenit SGR Spa, Milano

*Directors*

Mr. Marco Rosati, *Chief Executive Officer*, Zenit SGR Spa, Milano

Mrs. Daniëla Di Dodo, *Fondé de Pouvoir Principal*, Banque Degroof Petercam Luxembourg S.A.

Mr. Régis Leoni, *Sous-Directeur*, Banque Degroof Petercam Luxembourg S.A.

Registered Office:

12, rue Eugène Ruppert, L-2453 Luxembourg

Depositary:

Banque Degroof Petercam Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Domiciliary and Corporate Agent,  
Administrative Agent, Paying Agent, Registrar and  
Transfer Agent:

Banque Degroof Petercam Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Auditors:

Deloitte S.A.  
560, rue de Neudorf, L-2220 Luxembourg

Management Company:

Degroof Petercam Asset Services S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Investment Manager:

Zenit SGR Spa  
Via Privata Maria Teresa, 7, I-20123 Milano

## CONTENTS

Introduction .....	2
Directory.....	5
CONTENTS .....	6
PART A: FUND INFORMATION .....	7
INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS ...	7
RISK FACTORS.....	23
MANAGEMENT COMPANY .....	30
THE SHARES .....	31
PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION.....	31
DETERMINATION OF THE NET ASSET VALUE.....	36
DISTRIBUTION POLICY.....	39
CHARGES AND EXPENSES.....	39
DEPOSITARY .....	41
DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT .....	43
INVESTMENT MANAGER AND INVESTMENT ADVISER.....	43
TAXATION .....	44
GENERAL INFORMATION.....	47
I. Sub-Fund ZENIT MULTISTRATEGY SICAV Global Opportunities.....	51
II. Sub-Fund ZENIT MULTISTRATEGY SICAV Stock-Picking PIR.....	58
III. SUB-FUND ZENIT MULTISTRATEGY SICAV – STABILITY.....	64
IV. SUB-FUND ZENIT MULTISTRATEGY SICAV – BOND PIR.....	70
MISCELLANEOUS.....	75
Documents available.....	75

## PART A: FUND INFORMATION

### INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS

#### I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of their shareholders within the limits set forth under "Investment Restrictions". In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other assets permitted by law.

Each Sub-fund may (a) use derivative instruments for investment and/or hedging purposes, and (b) exploit the techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, under the conditions and within the limits laid down by law, regulation and administrative practice, as well as under the relevant sections "Investment Restrictions" and "Techniques and Instruments relating to transferable securities and money market instruments".

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective of each Sub-Fund will be achieved.

The investment policies and structure applicable to the various Sub-Funds and Classes created by the Board of Directors are described hereinafter in Part B of the Prospectus. If further Sub-Funds and Classes are created the Prospectus will be updated accordingly.

#### II. INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments of each Sub-Fund, the reference currency of each Sub-Fund and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund in Part B of the Prospectus, the investment policy shall comply with the rules and restrictions laid down hereafter.

Where a UCITS comprises more than one Sub-Fund, each Sub-Fund shall be considered as a separate UCITS for the purpose of the present section.

For best understanding, the following concepts are defined hereafter:

**Group of Companies**

Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules

**Member State**

A member state of the European Union

<b>Money Market Instruments</b>	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
<b>Other Regulated Market</b>	Market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public
<b>Other State</b>	Any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania
<b>Reference Currency</b>	Currency denomination of the relevant Class or Sub-Fund
<b>Regulated Market</b>	A regulated market as defined in the Council Directive 2004/39/EEC of 21 April 2004 on investment services in the securities field ("Directive 2004/39/EEC"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EEC
<b>Regulatory Authority</b>	The Commission de Surveillance du Secteur Financier or its successor in charge of the supervision of the undertakings for collective investment in the Grand-Duchy of Luxembourg
<b>Transferable Securities</b>	<ul style="list-style-type: none"> <li>- Shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments</li> </ul>

<b>UCI</b>	Undertaking for collective investment.
<b>UCITS</b>	Undertaking for collective investment in transferable securities.
<b>Value at Risk (VaR)</b>	Value at Risk (VaR) provided a measure of the potential loss that could arrive over a given time interval under normal market conditions, and at a given confidence level

**A. Investments in the Sub-Funds shall comprise one or more of the following:**

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) units of UCITS authorized according to Directive 2009/65/EC and/or other UCIs within the meaning of the Article 1, paragraph (2) of the Directive 2009/65/EC, whether situated in a Member State or in an Other State, provided that:
  - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- (6) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member

State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;

(7) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

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

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**B. Each Sub-Fund may however:**

(1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).

(2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the shareholders.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

**C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:**

**(a) Risk Diversification rules**

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

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

• ***Transferable Securities and Money Market Instruments***

(1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
- (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) may be increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) may be increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests

more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

**(6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other Member State of the Organization for Economic Cooperation and Development ("OECD") or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**

(7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) may be raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the Regulatory Authority, on the following basis:

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

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

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

- ***Financial Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the Prospectus.

- ***Units of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its assets in the units of a single UCITS or other UCI.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the relevant Sub-Fund.

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

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in Part B of the Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- **Combined limits**

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund may not combine where this would lead to investment of more than 20% of its net assets in a single issuer, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

**(b) Limitations on Control**

(15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

**D. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:**

- (1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.
- (2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) No Sub-Fund may use its assets to underwrite any securities.
- (4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).
- (6) The Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

**E. Notwithstanding anything to the contrary herein contained:**

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

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

## **F. Financial Derivative Instruments**

### **(1) General**

As specified in A (7) above, the Fund may in respect of each Sub-Fund invest in financial derivative instruments, including but not limited to financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants and structured financial derivative instruments such as credit-linked and equity linked securities, contracts for differences (CFDs) and any other derivative instruments traded over the counter. No geographical or other restriction applies to the selection of the assets underlying these financial derivative instruments, provided the underlying assets are instruments that are consistent with the relevant Sub-Fund's investment policy, such as transferable securities, interest rates, forward exchange rates, currencies and financial indices (in accordance with Article 50(1) g) of Directive 2009/65/EC and Article 9 of European Directive 2007/16/EC).

In this respect, a Sub-Fund may, for example, use CFDs to obtain synthetic short purchase or sale positions, in order to exploit with more efficiency the long term trends by including companies adversely impacted or to hedge out undesired factor exposures such as cyclical, seasonality, interest rate risk and other specific factor risks.

CFDs are over-the-counter financial contracts that provide exposure to fluctuations (positive or negative depending on the direction of the transaction) in different asset classes without having to own or borrow the underlying financial instruments. These contracts provide that the seller will pay the buyer the difference between the actual value of the asset and the value of the asset at the time the contract is concluded. CFDs do not require that the relevant asset be bought or delivered, but simply allow the amount of the asset's change in price to be collected or paid. These transactions are an arbitrage technique that enables the Sub-Fund to reduce its exposure to market risk or to specific sector-based risk. The risk generated by one or more exposures to a fall in the price of securities should not be viewed in isolation but in consideration of the overall portfolio and the Sub-Fund's long positions in similar securities. Therefore, the risk associated with a sale of securities in this context is not absolute, but should be seen as a relative risk.

**Each Sub-Fund may invest in financial derivative instruments for hedging purposes. Moreover, and unless stated otherwise in the relevant investment policy in "Part B: Specific Information", the use of financial derivative instruments may be an integral part of any Sub-Fund's investment policy.**

Investment in financial derivative instruments will be done within the limits laid down in restriction C. (9) to (11) above. The use of financial derivative instruments may not cause the Fund to stray from the investment objectives of each Sub-Fund as set out in "Part B: Specific Information".

### **(2) Global Exposure**

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, counterparty risk, future market movements and the time available to liquidate the positions.

The global exposure relating to financial derivative instruments may be calculated through the VaR methodology or the commitment approach.

**(a) VaR Methodology**

Certain Sub-Funds may apply a VaR approach to calculate their global exposure, and this will be specified for each applicable Sub-Fund in “Part B: Specific Information” of the Prospectus.

VaR is a means of measuring the potential loss to a Sub-Fund due to market risk and is expressed as the maximum potential loss at a 99% confidence level over a 1 month time horizon. The holding period relating to financial derivative instruments, for the purpose of calculating global exposure, is 1 month.

Sub-Funds using the VaR approach disclose their expected level of leverage in “Part B: Specific Information” of the Prospectus. In this context leverage is a measure of the aggregate derivative usage and is calculated as the sum of the notional exposure of the financial derivative instruments used, without the use of netting arrangements. As the calculation neither takes into account whether a particular financial derivative instrument increases or decreases investment risk, nor takes into account the varying sensitivities of the notional exposure of the financial derivative instruments to market movements, this may not be representative of the level of investment risk within a Sub-Fund.

VaR is calculated using an absolute or relative approach:

1. The absolute VaR approach calculates a Sub-Fund’s VaR as a percentage of the Net Asset Value of the Sub-Fund and is measured against an absolute limit of 20% as defined by the ESMA Guidelines 10-788. Absolute VaR is generally an appropriate approach in the absence of an identifiable reference portfolio or benchmark, for instance for funds using an absolute return target.
2. The relative VaR approach is used for Sub-Funds where a derivative free benchmark or reference portfolio is defined reflecting the investment strategy which the Sub-Fund is pursuing. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of a benchmark or reference portfolio and is limited to no more than twice the VaR on the comparable benchmark or reference portfolio. The reference portfolio for VAR purposes, as amended from time to time, may be different from the benchmark as stated in “Part B: Specific Information”, if any.

**(b) Commitment Approach**

Unless otherwise specified in “Part B: Specific Information”, the Sub-Funds calculate their global exposure resulting from the use of financial derivative instruments on a commitment basis, thereby aggregating the market value of the equivalent position of underlying assets. Such Sub-Funds will make use of financial derivative instruments in a manner not to materially alter a Sub-Fund's risk profile over what would be the case if financial derivative instruments were not used.

The Fund shall ensure that the global exposure of each Sub-Fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund.

The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section B. (3) above) so that the Sub-Fund's overall risk exposure may not exceed 210% of any Sub-Fund's total net assets under any circumstances.

## **G. Special provisions concerning Credit Default Swaps (CDS)**

The Sub-Funds are authorised to use Credit Default Swaps ("CDS"). A CDS consists of the transfer of the risk associated with a given borrower (a company or sovereign state) from one of the parties (the buyer of the CDS) to the other party (the seller of the CDS). This results in the net transfer from the seller to the buyer of the risk corresponding to the difference between the nominal value and the market value of the debt security issued by the borrower and underlying the CDS. The transfer takes place only in the event of a payment default by the borrower, which may include, inter alia, its liquidation, its inability to restructure its debts or its inability to make repayments in accordance with the agreed schedule of repayments.

Most CDS contracts are based on a physical settlement, whereby the seller pays the nominal value of the underlying debt security to the buyer in exchange for the delivery of the security. An alternative is to settle the contract against payment, in other words, the seller pays the difference between the nominal value and the market value to the buyer. In exchange for this protection, the buyer of a CDS regularly pays the seller a premium. Payment default will suspend payment of premiums.

The Fund may enter into CDS contracts solely on the basis of standard documents (such as ISDA contracts), and only with leading financial institutions specialised in this type of transaction.

The mark-to-market valuation of this type of instrument shall be carried out whenever the net asset value is calculated.

Each Sub-Fund's exposure to CDS, together with its exposure to other techniques and instruments, must not exceed the total net value of the assets in its portfolio.

CDS contracts may be entered into:

- (a) for hedging purposes: each Sub-Fund may sign CDS contracts to protect itself against specific or general risks related to its credit activity, by purchasing such cover.
- (b) for the sound management of the portfolio: each Sub-Fund may sign CDS contracts to acquire general or specific exposure related to its credit activity, in order to achieve its investment objectives.

Exposure to CDS aggregated with other derivatives must be such that the total exposure to all underlying assets never exceeds the maximum limit stipulated in the investment restrictions.

Exposure through CDS contracts sold corresponds to the nominal value underlying the contract whereas exposure through CDS bought corresponds to the value of outstanding premiums payable, discounted to present value.

## **III. TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

Save as otherwise described in the investment policy of any Sub-Fund (Part B : Specific Information"), the Fund may employ the techniques and instruments available in the context of securities investments for the purpose of efficient asset management such as securities lending and borrowing, repurchase agreements, reverse repurchase agreements and "réméré" transactions, under the conditions and within the limits laid down by law, regulation and administrative practice, and in accordance with the provisions of CSSF Circular

14/592 relating to the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues (ESMA/2014/937) , as described hereafter.

The risk exposure to a counterparty to securities lending transactions and borrowing, sale with right of repurchase and/or reverse repurchase and repurchase transactions must be taken into account when calculating the combined limit of maximum 20% of the net assets of each Sub-Fund in a single issuer as set forth in II. Investment Restrictions, Section C (13) pursuant to point 2 of Box 27 of ESMA Guidelines 10-788. Each Sub-Fund may take into account a guarantee conforming to the requirements set out under Section C below in order to reduce the counterparty risk in securities lending and borrowing, in sale with right of repurchase and/or reverse repurchase and repurchase transactions

All the revenues arising from the techniques and instruments transactions net of direct and indirect operational costs/fees will be returned to the relevant Sub-Fund. In particular, a Sub-fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Fund .

The risks of such techniques and instruments are adequately captured by the risk management process of the Management Company. For more information on risks, see Section “Risk Factors” of this Prospectus. There can be no assurance that the objective sought to be obtained from use of the aforesaid techniques and instruments will be achieved .

Unless otherwise indicated in Part B, none of the Sub-Funds has as core strategy to achieve its investment objective through the entering into Securities lending and borrowing transactions, repurchase agreements, reverse repurchase agreements and “réméré” transactions.

#### **A. Securities lending and borrowing**

Each Sub-Fund may enter into securities lending and borrowing transactions subject to the following restrictions:

- Each Sub-Fund may only lend securities through a standardised lending system organised by a recognised clearing institution or through a financial institution that are subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law and specialised in this type of transactions.
- Each borrower must also be subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.
- The selection of counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating.
- As the Sub-Funds are open-ended, each Sub-Fund must be in a position to terminate outstanding loans and to recall securities lent out at all times. Should this not be the case, each Sub-Fund must ensure that securities lending transactions will be maintained at a level such that it is, at all times, able to meet its obligations to redeem Shares.

- Each Sub-Fund must receive, previously or simultaneously to the transfer of securities lent, a guarantee which complies with the requirements expressed under Section C below. At maturity of the securities lending transaction, the guarantee will be remitted simultaneously or subsequently to the restitution of the securities lent.
- Each Sub-Fund may borrow securities only under the following specific circumstances in connection with the settlement of a sale transaction: (a) during a period over which the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; and (c) to avoid a failed settlement when the Depository fails to make delivery.
- Throughout the whole of the borrowing period, each Sub-Fund may not dispose of securities that it has borrowed, unless it has covered them through financial instruments which enable it to return the securities borrowed when the transaction expires.
- Securities eligible for securities lending and borrowing agreements include bonds, listed equities and money market instruments .
- The maximum proportion of the total assets which may be subject to securities lending and borrowing transactions is up to 10%.
- The expected proportion of the total assets which may be subject to securities lending and borrowing transactions is up to 5%.

**B. Repurchase agreements, reverse repurchase agreements and “réméré” transactions**

- Each Sub-Fund may enter into “réméré” transactions which consist in the purchase and sale of securities with a clause reserving the seller the right to repurchase from the buyer the securities sold at a price and term specified by the two parties in a contract.
- Each Sub-Fund may enter into repurchase or reverse repurchase agreements which consist in the purchase and sale of securities with a simultaneous agreement to repurchase from the seller/buyer the securities sold at a price and term specified by the two parties in a contract.
- Each Sub-Fund may act either as buyer or seller in “réméré” transactions and repurchase or reverse repurchase agreements.
- Each Sub-Fund may only enter into “réméré” transactions and repurchase or reverse repurchase agreements with financial institutions subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law and specialised in these types of transactions.
- The selection of counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating.
- Securities which are delivered to each Sub-Fund under a “réméré” transaction or a repurchase or reverse repurchase agreement may belong to any of the following categories of eligible assets:
  - (a) Short-term bank certificates or Money Market Instruments as set forth under II. A. (1) to (4) and (8), or

- (b) Bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, or
  - (c) Bonds issued by non-governmental issuers offering an adequate liquidity, or
  - (d) Shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent, or
  - (e) Equities admitted to official listing or negotiated on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD on the conditions that these equities are included in a mainindex
- The maximum proportion of the total assets which may be subject to these transactions is up to 10%.
  - The expected proportion of the total assets which may be subject to these transactions is up to 5%.
  - During the life of a “réméré” transaction, a repurchase or reverse repurchase agreement, and where the Sub-Fund acts as a buyer, it may not sell or pledge/give as securities the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the term of the contract has expired.
  - As the Sub-Funds are open-ended, each Sub-Fund must be in a position to terminate outstanding “réméré” transactions, repurchase or reverse repurchase agreements and to recall securities purchases and sold in such conditions out at all times. Should this not be the case, each Sub-Fund must ensure that the value of purchased securities subject to a repurchase or a reverse repurchase obligation or under a “réméré” transaction will be maintained at a level such that is, at all times, able to meet its obligations to redeem Shares.
  - Securities which are delivered to each Sub-Fund under a “réméré” transaction, a repurchase or reverse repurchase agreement must belong to one of the categories of assets eligible for investment by each Sub-Fund as per II A. and Part B of the Prospectus. When complying with the investment restrictions defined under II. C., each Sub-Fund will take into consideration securities held direct or through “réméré” transactions and repurchase or reverse repurchase agreements.

## 1. Collateral management

As part of securities lending transactions or when entering into “réméré” transactions or repurchase agreements and reverse repurchase agreements, each Sub-Fund must receive collateral, the value of which must be at least equal to 90% of the value of securities lent and of the counterparties’ risk exposure.

Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. This valuation will be done in accordance with section “DETERMINATION OF THE NET ASSET VALUE”.

Where there is a title transfer, the collateral received should be held by the Depository either directly or by one of its agent or third party acting under its control. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty .

In accordance with the ESMA's Guidelines for competent authorities and UCITS management companies (ESMA/2014/937), collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Fund's net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's net asset value.

The collateral must be blocked in the favour of the Fund and must be given in the form of either:

- (a) Cash, other acceptable forms of liquid assets and Money Market Instruments as set forth under II. A. (1) to (4) and (8) , or
- (b) Bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, or
- (c) Bonds issued or guaranteed by first-class issuers offering an adequate liquidity, or
- (d) Equities admitted to official listing or negotiated on a regulated market of a Member State of the European Union, Switzerland, Canada, Japan or the United States and which are included in a main index, or
- (e) Shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent, or
- (f) Shares or units of other UCITS, provided that such investment funds invests primarily in instruments listed under c. and d. hereabove.

For the avoidance of doubt, both cash and non-cash collateral received will not be sold, pledged or reinvested.

## **2. Total Return Swaps**

On an ancillary basis, the Fund can also enter into one or several total return swap to gain exposure to reference assets, which may be invested according to the investment policy of the relevant Sub-fund. A total return swap ("TRS") is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. The Fund may only enter into such transactions through regulated financial institutions with a minimum credit rating of investment grade quality which has its registered office in one of the OECD countries.

None of the Sub-Funds has as core strategy to achieve its investment objective through the entering into one or several TRS .

### 3. Haircut Policy and Stress Test policy

- a) Shall the Fund enter into any of the afore-mentioned efficient portfolio management techniques, the SICAV will apply its haircut policy in respect of each class of assets received as collateral in respect of the SICAV / Sub-Fund(s). Any such haircut policy will take into account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The haircut is a percentage deducted from the market value of the securities received as collateral. It aims to reduce the risk of loss when the borrower defaults.
- b) In the event that the Fund (or any of its Sub-Fund(s)) receives collateral for at least 30% of the net assets, a stress testing policy may be implemented to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to the relevant collateral.
- c) Points a) and b) hereinabove will also be applicable to any collateral received by the Fund (or any of its Sub-Fund(s)) within the framework of operations relating to financial derivative instruments dealt in over-the-counter (within the meaning and purpose of this document).
- d) The following haircuts are applied by the Fund (the Fund reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

<b>Asset class</b>	<b>Minimum rating accepted</b>	<b>Haircut</b>	<b>Maximum by issuer</b>
1. cash and other acceptable forms of liquid assets and Money Market Instruments	/	100%-110%	20%
2. bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature	AA-	100%-110%	20 %
3. bonds issued or guaranteed by first class issuers offering an adequate liquidity	AA-	100%-110%	20%
4. equities admitted to official listing or negotiated on a regulated market of a Member State of the European Union, Switzerland, Canada, Japan or the United States and which are included in a main index	/	100%-110%	20%
5. shares or units of other money-market UCIs, provided that their net asset value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent,	UCITS - AAA	100%-110%	<u>20%</u>
6/ shares or units of other UCITS, provided that such investment funds invest primarily in instruments listed under (3) and (4) hereabove	/	100%-110%	20%

## **RISK FACTORS**

Investing in the Fund and its Sub-Funds involves risks, including in particular those associated to market fluctuations and the risks inherent in any investment in financial assets. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, or by changes to economic and monetary policies.

No guarantee can be given that the Fund's and Sub-Funds' objectives will be achieved and that investors will recover the amount of their initial investment.

Past performance is not an indicator for future results or performance.

The conditions and limits laid down in sections II and III above are intended however to ensure a certain portfolio diversification so as to reduce such risks.

The Sub-Funds are exposed to various risks, depending on their respective investment policies. The main risks to which Sub-Funds may be exposed are listed below.

### **Equity risk**

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's shares to its bonds. Moreover, these fluctuations are often amplified in the short term.

### **Credit risk**

This is the risk that may derive from the rating downgrade or the default of a bond issuer to which the Sub-Funds are exposed, which may therefore cause the value of the investments to go down. Such risks relate to the ability of an issuer to honor its debts.

Downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the Sub-Funds have invested.

Some strategies utilized may be based on bonds issued by issuers with a high credit risk (junk bonds).

Sub-Funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

### **Interest rate risk**

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments.

### **Liquidity Risk**

There is a risk that investments made by the Sub-Funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if their “rating” declines or if the economic situation deteriorates; consequently, it may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in these sub-funds.

### **Inflation Risk**

Over time, yields of investments may not keep pace with inflation, leading to a reduction of investor’s purchasing power.

### **Taxation Risk**

The value of an investment may be affected by the application of tax laws in various countries, including withholding tax, changes in government, economic or monetary policy in the countries concerned. As such, no guarantee can be given that the financial objectives will actually be achieved.

### **Counterparty Risk**

This risk relates to the quality or the default of the counterparty with which the Management Company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: payment, delivery and reimbursement). This risk also relates to efficient portfolio management techniques and instruments. If counterparty does not live up to its contractual obligations, it may affect investor returns.

### **Warrant Risk**

The investor’s attention is drawn to the fact that warrants are complex, volatile, high-risk instruments: the risk of a total loss of the invested capital is great. In addition, one of the principal characteristics of warrants is the “leverage effect”, which is seen in the fact that a change in the value of the underlying asset can have a disproportionate effect on the value of the warrant. Finally, there is no guarantee that, in the event of an illiquid market, it will be possible to sell the warrant on a secondary market.

### **Operational & Custody Risk**

Some markets (emerging markets) are less regulated than most of the developed countries regulated markets; hence, the services related to custody and liquidation for the funds on such markets could be more risky. Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

## **Currency Risk**

A Sub-Fund may hold assets denominated in currencies other than its reference currency. It may be affected by changes in exchange rates between the reference currency and these other currencies or by changes to exchange control regulations. If the currency in which an asset is denominated appreciates against the Sub-Fund's reference currency, the security's equivalent value in the reference currency will also appreciate. Conversely, a depreciation in the currency will result in a fall in the security's equivalent value in the reference currency.

Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

When the Management Company is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

## **Emerging & New Frontiers Markets Risk**

Investors' attention is drawn to the fact that the manner in which the markets of certain emerging and less developed countries operate and are supervised may differ from the standards that prevail in the major international markets.

Sub-funds investing in emerging and new frontiers markets are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions (social, political and economic conditions). In addition, some emerging markets offer less security than the majority of international developed markets and certain markets are not currently considered to be regulated markets. For this reason, services for portfolio transactions, liquidation and conservation on behalf of funds invested in emerging markets may carry greater risk.

The Fund and investors agree to bear these risks.

## **Low Interest Rate Consequence**

A very low level of interest rates may affect the return on short term assets held by monetary funds which may not be sufficient to cover management and operating costs leading to there a structural decrease of the net asset value of the Sub-Fund.

## **Small Cap, Specialised or Restricted Sectors Risk**

Sub-funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions.

Smaller companies may find themselves unable to generate new funds to support their growth and development, they may lack vision in management, or they may develop products for new, uncertain markets.

The Fund and investors agree to bear these risks.

## **Derivatives Risk**

In order to hedge (hedging derivative investments strategy) and/or to leverage the yield of the Sub-Fund (trading derivative investment strategy), the Sub-Fund is allowed to use derivative investments' techniques and instruments in the context of a Sub-Fund's overall investment policy and under the circumstances set forth in Section II and III of Part A of the prospectus (in particular, warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference [CFDs], credit default swaps [CDSs], futures and options on securities, rates or futures).

The investor's attention is drawn to the fact that these financial derivative instruments include leveraging. Because of this, the volatility of these Sub-Funds is increased.

## **Risk related to efficient portfolio management techniques**

Efficient portfolio management techniques, such as securities lending, repurchase and reverse repurchase transactions, and particularly with respect to the quality of the collateral received / reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-Fund concerned.

## **Risk related to investments in other UCITS and UCIs**

Such investments expose a Sub-Fund to the risks related to financial instruments held by any such UCI / UCITS in their portfolios. However certain risks are directly linked to the holding of units/shares of UCI / UCITS. Some UCI / UCITS may be leveraged either by using financial derivatives instruments or through borrowing. Use of leverage increases the volatility of the value of such UCI / UCITS and thus the risk of losing capital. Investments made in units or shares of any such UCI / UCITS may also entail a higher liquidity risk than a direct investment in a portfolio of transferable securities. To the contrary, investments made in units or shares of any such UCI / UCITS gives a Sub-Fund a flexible and efficient way to access to several professional management styles and also gives a certain diversification of its investments.

A Sub-Fund mainly investing through UCI / UCITS will ensure that its portfolio of UCI / UCITS shows proper liquidity profile so that it can in turn face its own liquidity duty. The way such target UCI / UCITS are selected will take into account the liquidity profile of such UCI / UCITS and any given Sub-Fund mainly investing in open-ended UCI / UCITS will ensure that such target UCI / UCITS have a liquidity profile to that of the Sub-Fund.

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

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may normally not exceed 5%.

### **Risks related to distressed (default) securities**

Holding distressed securities creates significant risk due to the possibility that bankruptcy may render such securities worthless (zero recovery). While potentially lucrative, these investment strategies require significant levels of resources and expertise to analyze each instrument and assess its position in an issuer's capital structure along with the likelihood of ultimate recovery. Distressed securities tend to trade at substantial discounts to their intrinsic or par value and are therefore considered to be below investment grade. Under certain circumstances a Sub-Fund could sale these positions in the investor interest.

### **Commodity Market Risk**

Commodity markets may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a sub-fund may invest and/or indices that a Sub-Fund may be exposed to.

Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets etc.)

### **Risk linked to Structured Debts**

Structured debts and securitisation involve following risks: credit risk, default risk and downgrading risk (on the different underlying asset tranches), liquidity risk.

Mortgage and Other Asset Back Securities (MBS / ABS)

The yield characteristics of ABS / MBS differ from traditional debt securities.

A major difference is that the principal amount of the obligation generally may be prepaid at any time because the underlying assets generally may be prepaid at any time. As a result, if an ABS / MBS is purchased at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity. Conversely, if an ABS / MBS is purchased at a discount, faster than expected prepayments will increase, while slower than expected prepayments will decrease, yield to maturity.

Generally, pre-payments on fixed-rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. ABS / MBS may also decrease in value as a result of increases in interest rates and, because of prepayments, may benefit less than other fixed income securities from declining interest rates. Reinvestment of prepayments may occur at lower interest rates than the original investment, thus adversely affecting a Sub-Fund's yield. Actual prepayment experience may cause the yield of ABS / MBS to differ from what was assumed when the Fund purchased the security.

The market for privately issued ABS / MBS is smaller and less liquid than the market for U.S. government ABS / MBS.

In addition, the term ABS also covers securities which are not resulting from securitisation activities, such as securities which are secured by assets, but whose cash flows do not necessarily derive from the cash flows of the underlying assets.

## **Concentration Risk**

Sub-Funds which invest in a concentrated portfolio may be subject to greater volatility than those Sub-Funds with a more diversified portfolio.

## **Risk related to Investment Grade Bonds**

Investment grade bonds are assigned ratings within the top rating categories by independent rating agencies (rated Baa3/BBB- or higher using the highest rating available from one of the independent ratings agencies (e.g. Moody's, Standard & Poor's, Fitch) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances impact the relevant bond issues.

## **Risk related to Convertible Bonds**

A convertible bond generally entitles the holder to receive interest paid or accrued on bond or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible bonds generally have characteristics similar to both debt and equity securities. The value of convertible bonds tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Convertible bonds are usually subordinated to comparable nonconvertible bonds. Convertible bonds generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible bonds may be affected by any dividend changes or other changes in the underlying securities.

## **Risk related to Government Bonds**

Certain Sub-Funds may invest in debt securities ("Sovereign Debt") issued or guaranteed by governments or their agencies, US municipalities, quasi-government entities and state sponsored enterprises ("governmental entities"). This would include any bank, financial institution or corporate entity whose capital is guaranteed to maturity by a government, its agencies or government sponsored enterprises. Government bonds (including sovereign debt and municipal securities) are subject to market risk, interest rate risk and credit risk. Governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part. The price of certain government securities may be affected by changing interest rates. Government bonds may include zero coupon securities, which tend to be subject to greater market risk than interest-paying securities of similar maturities. In periods of low inflation, the positive growth of a government bond may be limited.

## **Risks related to the Sovereign Debt crisis**

There are increasing concerns regarding the ability of certain sovereign states to continue to meet their debt obligations. This has led to the downgrading of the credit rating of certain European governments and the US government. Global economies are highly dependent on each other and the consequences of the default of any sovereign state may be severe and far-reaching and could result in substantial losses to the Sub-Fund and the investor.

### **Risks related to Total Return Swaps**

Accordingly, it is intended that the risk of loss with respect to total return swaps is limited to the net 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 total return swap defaults, in normal circumstances the Sub-fund 's risk of loss consists of the net amount of interest or total return payments that the Sub-fund is contractually entitled to receive.

The use of total return swaps is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-fund would be less favourable than it would have been if this investment technique was not used.

### **Risks related to Securities Lending**

Securities lending transactions involve counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Sub-Fund, there is a risk that the collateral received may be realized at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, decrease in the credit rating of the issuer of the collateral or the illiquidity of the market in which the collateral is traded, which could adversely impact the performance of the Sub-Fund.

The Fund undertake to use reasonable endeavours to resolve fairly any conflicts of interest that may arise in relation to securities lending (having regard to their respective obligations and duties) and to ensure that the interests of the Fund and the Shareholders are not unfairly prejudiced.

### **Chinese market risks**

Investments in markets in negotiable securities in China involve significant risks and special considerations. These are in addition to the risks relating to emerging countries.

Chinese companies are required to observe Chinese accounting standards and practices which, to some extent, follow international accounting standards.

There can, however, be significant differences between the financial statements prepared by accountants in accordance with Chinese accounting standards and practices and those prepared in accordance with international standards.

The markets in negotiable securities in Shanghai and Shenzhen are both in the course of development and change. Volatile trading can result from this, along with difficulty in regulating and registering transactions and in interpreting and applying the regulations in question.

Within the context of the predominant tax policy in China, there are some tax incentives for foreign investments. There can, however, be no guarantee that the aforementioned tax incentives will not be abolished at a later date.

Investments in China will be sensitive to any significant political, social or economic change in the People's Republic of China. Such sensitivity can have a negative effect on capital growth and therefore on the performance of these investments.

The control of currency conversion and of future movements of the exchange rate by the Chinese government can have a negative effect on financial operations and results of companies investing in China.

It is possible that investors may not recover their initial investment.

The aforementioned information is not exhaustive. It is not intended to, and does not, constitute legal advice. If in doubt, potential investors should read the Prospectus carefully and consult their own professional adviser(s) as to the implications of subscribing for or otherwise dealing in the Shares.

## **MANAGEMENT COMPANY**

The Fund is managed by the Board of Directors which has the overall responsibility for the management and administration of the Fund, its Sub-Funds and Classes, for authorizing the establishment of Sub-Funds and Classes, and for setting and monitoring their investment policies and restrictions.

For the implementation of the investment policy of each Sub-Fund and the management of their assets, the administration and the marketing of the Fund, the Board of Directors has appointed a management company established under the Chapter 13 of the Law of 2010, Degroof Petercam Asset Services S.A., in summary DPAS, (the "Management Company"). For this purpose, the Fund and the Management Company have entered into a Collective Portfolio Management Agreement which is dated 29 November 2006.

The Management Company is a company incorporated in Luxembourg as a société anonyme on 20 December 2004 under the name Degroof Gestion Institutionnelle - Luxembourg. Its corporate capital amounts to EUR 2 million,-. Its registered office is at 12, rue Eugène Ruppert, L-2453 Luxembourg. The main purpose of the Management Company is the management of UCITS and other UCIs including the investment management, the administration and the marketing of UCITS and other UCIs.

For the purpose of a more efficient conduct of its duties, the Management Company may delegate to third parties, on its behalf and under its responsibility, the power to carry out one or more of its functions. If one or more of the Management Company's functions are so delegated, it will be specified in Part B of the Prospectus.

Its management board is composed as follows:

- Mrs. Sandra Reiser,
- Mr. Frank Van Eylen,
- Mr. Jérôme Castagne.

Its supervisory board is composed as follows:

- Mr. John Pauly,
- Mr. Hugo Lasat,
- Mr. Jean-Michel Gelhay,
- Mr. Bruno Houdmont,
- Mr. Pascal Nyckees,
- Mr. Frédéric Wagner.

## THE SHARES

The Fund may issue Shares of different Classes reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, classes of Shares may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or (ii) a specific sales and redemption charge structure, and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) specific types of investors entitled to subscribe the relevant classes of Shares, and/or (vi) a specific currency, and/or (vii) any other specific features applicable to one Class.

The availability of such classes of Shares in each Sub-Fund shall be disclosed in Part B of the Prospectus for each Sub-Fund individually.

As set forth in this Part A in the section "Determination of the Net Asset Value" sub 1) "Calculation and Publication", each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

Shares in any Sub-Fund are issued in the form of a registered or dematerialized shares. Dematerialised Shares are represented by an entry in a securities account in the name or their owner or holder with an authorised account holder or a provider of settlement services.

Registered Shares will be registered in the register of shareholders.

A holder of registered Shares shall receive a written confirmation of his or her or its shareholding. All Shares must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. Each Share of the Fund to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional registered Shares may be issued to one thousandth of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the Shares in the relevant Sub-Fund on a pro rata basis.

Shares may be offered to investors through of Savings Plans in certain countries where the Fund is authorised, in compliance with the legislation of those countries.

If the Shares of a Sub-Fund are listed on the Luxembourg Stock Exchange, or in another Stock Exchange of an European Country, it will be specified in Part B of the Prospectus.

## PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION

### Subscription of Shares

After the Initial Subscription Period of a class of Shares, if any, of a Sub-Fund (as defined in Part B of the Prospectus), the subscription price per Share in the relevant class of Shares or Sub-Fund (the "Subscription

Price") is the total of the Net Asset Value per Share and the sales charge as stated in Part B of the Prospectus. The Subscription Price is available for inspection at the registered office of the Fund.

Subscriptions in any class of Shares or in any Sub-Fund may be subject to a minimum investment amount and/or a minimum holding requirement and/or to a minimum number of Shares as stated in Part B of the Prospectus, as the case may be.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A in the section "Determination of the Net Asset Value" sub 1) "Calculation and Publication") following receipt of the application form provided that such application is received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Applications received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

Investors may be required to complete a purchase application for Shares or other documentation satisfactory to the Fund, indicating that the purchaser is not a U.S. Person or nominee thereof. Application forms containing such representation are available from the Fund.

Payments for Shares will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

Payments for subscriptions must be made within the time limits set out for each Sub-Fund in Part B of the Prospectus.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities or other permitted assets, in compliance with the conditions set forth by Luxembourg law, in particular the obligation, if applicable, for the Auditors of the Fund to deliver a valuation report and provided that such securities comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

The Fund reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders within the time period set out for each Sub-Fund in Part B of the Prospectus.

No Shares in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by Article 12 of the Articles.

In the case of suspension of dealings in Shares, the application will be dealt with on the first Valuation Day following the end of such suspension period.

### **Money Laundering Prevention**

In order to contribute to the fight against money laundering, the Fund and the Central Administration will at all times comply with any obligations imposed by any applicable laws, rules, regulations and circulars with respect to money laundering prevention.

Moreover, the Fund is legally responsible for identifying the origin of monies transferred. Subscriptions may be temporarily suspended until such monies have been correctly identified.

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

In relation to an application for, or transfer of, Shares, the Fund and/or the Central Administration may require at any time such documentation, as it/they may deem appropriate. Failure to provide such information may result in an application not being processed.

### **Conversion of Shares**

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given class of Shares to Shares of the same class of Shares of another Sub-Fund (if applicable). The Board of Directors may refuse to accept a conversion application if it is detrimental to the interests of the Fund, the Sub-Funds and the classes of Shares concerned or the relevant shareholders. In no case Shareholders have the right to convert Shares of class Q to another class and vice-versa.

The rate at which Shares of any class of Shares or Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant classes of Shares or Sub-Funds, calculated as of the Valuation Day following receipt of the documents referred to below.

Conversions of Shares in any class of Shares or Sub-Fund may be subject to a fee based on the respective Net Asset Value of the relevant Shares as stated in Part B of the Prospectus, as the case may be. However, this amount may be increased if the subscription fee applied to the original class of Shares or Sub-Fund was less than the subscription fee applied to the class of Shares or Sub-Fund in which the Shares will be converted. In such cases, the conversion fee may not exceed the amount of the difference between the subscription rate applied to the class of Shares or Sub-Fund in which the Shares will be converted and the subscription rate applied to the initial subscription. This amount will be payable to the sales agents.

Shares may be tendered for conversion on any Valuation Day.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until the following document has been received at the registered office of the Fund from the shareholder:

- a duly completed request for conversion of Shares.

Fractions of registered Shares will be issued on conversion to one thousandth of a Share.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders within the time period set out for each Sub-Fund in Part B of the Prospectus, together with the balance resulting from such conversion, if any.

In converting Shares of a class of Shares or Sub-Fund for Shares of the same class of Shares of another Sub-Fund or of another Sub-Fund, a shareholder must meet the applicable minimum initial investment requirements imposed by the acquired Sub-Fund, if any.

If, as a result of any request for conversion, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount, if any, indicated in Part B of the Prospectus in the section "Minimum Investment" under the specific information for each Sub-Fund, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

Shares in any class of Shares or Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share in the relevant classes of Shares or Sub-Funds is suspended by the Fund pursuant to Article 12 of the Articles.

In the case of suspension of dealings in Shares, the request for conversion will be dealt with on the first Valuation Day following the end of such suspension period.

### **Redemption of Shares**

Each shareholder of the Fund may at any time request the Fund to redeem on any Valuation Day all or any of the Shares held by such shareholder in any of the classes of Shares or Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Fund.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed, the relevant class of Shares or Sub-Fund, whether the Shares are issued with or without a Share certificate, the name in which such Shares are registered and details as to whom payment should be made. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such request.

Shareholders have to take due care and bear responsibility that the certificates of the Shares to be redeemed are received in proper form at the registered office of the Fund.

Shareholders whose requests for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the requests have been received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Requests received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant class of Shares or Sub-Fund determined on the first Valuation Day following receipt of the redemption request, potentially decreased by a redemption fee, as stated in Part B of the Prospectus, as the case may be.

The redemption price shall be paid within the time limits set out for each Sub-Fund in Part B of the Prospectus.

Payment will be made by transfer bank order to an account indicated by the shareholder, at such shareholder's expense and risk.

Payment of the redemption price will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

The redemption price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any class of Shares or Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such class of Shares or Sub-Fund is suspended by the Fund pursuant to Article 12 of the Articles.

Notice of any such suspension shall be given in all the appropriate ways to the shareholders who have made a redemption request which has been thus suspended. In the case of suspension of dealings in Shares, the request will be dealt with on the first Valuation Day following the end of such suspension period.

If as a result of any request for redemption, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount indicated in Part B of the Prospectus, if any, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder in such class of Shares or Sub-Fund.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 and conversion requests pursuant to Article 9 of the Articles relate to more than 10 percent of the net assets of a specific Sub-Fund, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund. On the Valuation Days during such period, these redemption and conversion requests will be met in priority to later requests.

Under special circumstances including, but not limited to, default or delay in payments due to the relevant Sub-Fund from banks or other entities, the Fund may, in turn, delay all or part of the payment to shareholders requesting redemption of Shares in the Sub-Fund concerned. The right to obtain redemption is contingent upon the Sub-Fund having sufficient liquid assets to honor redemptions.

The Fund may also defer payment of the redemption of a Sub-Fund's Shares if raising the funds to pay such a redemption would, in the opinion of the Board of Directors, be unduly burdensome to such Sub-Fund. The payment may be deferred until the special circumstances have ceased; redemption could be based on the then prevailing Net Asset Value per Share.

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount of EUR 10 million or the equivalent in any other Reference Currency, respectively such amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economical or political situation or in order to proceed to an economical rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall provide at least 30 days' prior written notice of redemption to all holders of the Shares to be so redeemed. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund may be kept with the Depositary (as defined hereinafter) during a period not exceeding nine months as from the date of such compulsory redemption; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*. In addition, if the net assets of any Sub-Fund do not reach or fall below the above mentioned level at which the Board of Directors considers management possible, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the Fund in the manner described in this Part A in the section "General Information" sub 4) "Dissolution and Merger of Sub-Funds".

The Articles contain at Article 10 provisions enabling the Fund to compulsorily redeem Shares held by U.S. persons.

## **Protection against Late Trading and Market Timing practices**

The Fund respectively the Central Administration ensures that the practices of Late Trading and Market Timing will be eliminated in relation to the distribution of Shares of the Fund. The cut-off times mentioned under the sections "Subscriptions and Subscription Fee", "Redemptions" and "Conversions" set out for each Sub-Fund in Part B of the Prospectus will be observed rigidly. The investors do not know the Net Asset Value per Share at the time of their request for subscription, redemption or conversion.

## **DETERMINATION OF THE NET ASSET VALUE**

### **1) Calculation and Publication**

The Net Asset Value per Share of each class of Shares in respect of each Sub-Fund shall be determined in the Reference Currency of that class of Shares or Sub-Fund.

The Net Asset Value per Share of each class of Shares in a Sub-Fund shall be calculated as of any Valuation Day (as defined hereinafter) by dividing the net assets of the Fund attributable to such class of Shares in that Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such class of Shares on any such Valuation Day) by the total number of Shares in the relevant class of Shares then outstanding.

If, since the time of determination of the Net Asset Value per Share on the relevant Valuation Day (as defined hereinafter), there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value per Share of each class of Shares of the various Sub-Funds is determined on the day specified for each Sub-Fund in Part B of the Prospectus (the "Valuation Day") on the basis of the value of the underlying investments of the relevant Sub-Fund, determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes payable 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 in such case to reflect the true value thereof.
- (b) The value of each security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.
- (c) The value of each security or other asset dealt in on any other regulated market that operates regularly, is recognized and is open to the public (a "Regulated Market") will be based on its last available price in Luxembourg.

- (d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) Units or shares of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis.
- (f) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, 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 Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.
- (g) The value of money market instruments not traded on stock exchanges nor on other Regulated Markets and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.
- (i) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

The net proceeds from the issue of Shares in the relevant Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

The value of all assets and liabilities not expressed in the Reference Currency of a class of Shares or Sub-Fund will be converted into the Reference Currency of such class of Shares or Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day.

The Board of Directors, in its discretion, may permit some other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets.

The Net Asset Value per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund, and will be published in such newspapers as determined for each Sub-Fund in Part B of the Prospectus, as the case may be.

## **2) Temporary Suspension of the Calculation**

In each Sub-Fund, the Fund may temporarily suspend the calculation of the Net Asset Value per Share and the issue, redemption and conversion of Shares:

a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time are quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;

b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;

c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;

e) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained;

f) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund;

g) during any period when the market of a currency in which a substantial portion of the assets of the Fund is denominated is closed otherwise than for ordinary holidays, or during which dealings therein are suspended or restricted;

h) during any period when political, economical, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the Net Asset Value of the Fund in a normal and reasonable manner;

i) during any period when the calculation of the net asset value per unit or share of a substantial part of undertakings for collective investment the Fund is investing in, is suspended and this suspension has a material impact on the Net Asset Value per Share in a Sub-Fund.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the shareholders by way of publication and may be sent to shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value per Share in the relevant Sub-Fund, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

## **DISTRIBUTION POLICY**

The Fund's principal investment objective is to achieve long term capital growth.

Consequently, no dividend is expected to be paid to the shareholders of the different Sub-Funds.

The Board of Directors reserves however the right to propose the payment of a dividend at any time.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below EUR 1,250,000.

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

## **CHARGES AND EXPENSES**

### **General**

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to its Management Company, Investment Managers and Advisers, including performance fees, if any, fees and expenses payable to its Auditors and accountants, Depositary and correspondents, Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent, Listing Agent, any Paying Agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, share certificates, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank and brokerage charges, postage, telephone and telex charges. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateable for yearly or other periods.

In the case where any liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds prorata to their Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith.

Expenses incurred in connection with the incorporation of the Fund including those incurred in the preparation and publication of the first Prospectus, as well as the taxes, duties and any other publication expenses, are estimated at EUR 12,750 and may be amortized over a maximum period of five years.

Expenses incurred in connection with the creation of any additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Funds shall not bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Funds.

### **Fees of the Management Company**

The Management Company is entitled to receive from the relevant Sub-Fund a fee payable quarterly in arrears as determined in Part B of the Prospectus.

### **Fees of the Depositary**

The Depositary is entitled to receive out of the assets of each Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

up to 0.12% on the total net assets up to EUR 10 million

up to 0,10% on the total net assets over EUR 10 million

per annum per Sub-Fund as increased by any VAT payable thereon

Transactions fees: EUR 50 per transaction on UCITS/UCIs.

Tax reclaims fees : EUR 250 per tax reclaim ( one reclaim p.a. per country when applicable)

### **Fees of the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent**

The Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent is entitled to receive from the Management Company at the charge of the Fund, out of the assets of each Sub-Fund, a remuneration calculated in accordance with customary banking practice in Luxembourg and expressed basically as flat fees payable yearly or quarterly in arrears.

- directorship: 0.05% on the total net assets of the Fund;
- domiciliation: EUR 7,500 per annum for the Fund as a whole+ EUR 2.000 for each organisation of a physical Board Meeting;
- administrative agency: EUR 2,500 per month per Sub-Fund
- registrar and transfer agency: EUR 1,250 per annum per Sub-Fund + EUR 25 per transaction

In addition, the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements.

## DEPOSITARY

Banque Degroof Petercam Luxembourg S.A. has been appointed as depositary of the Fund (hereinafter the 'Depositary') within the meaning of article 33 of the Law of 2010.

Banque Degroof Petercam Luxembourg S.A. is a *société anonyme* incorporated under the laws of Luxembourg. It was incorporated in Luxembourg on 29 January 1987 for an indefinite term under the name of Banque Degroof Luxembourg S.A. Its registered office is located at 12 Rue Eugène Ruppert, L-2453 Luxembourg, and it has engaged in the banking business since its incorporation. As of 31<sup>st</sup> December 2015, it had Tier 1 regulatory equity of EUR 225.864.929,-.

The Depositary performs its duties pursuant to a depositary agreement entered into for an indefinite term between Banque Degroof Petercam Luxembourg S.A. and the Fund.

Pursuant to this agreement, Banque Degroof Petercam Luxembourg S.A. also acts as paying agent with respect to provide financial servicing for the Fund's shares.

The Depositary performs its duties and tasks as prescribed by Luxembourg laws and particularly the duties set out in articles 33 to 37 of the Law of 2010.

The Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the SICAV and the investors of the Fund.

The Depositary shall not carry out activities with regard to the Fund or the Management Company on behalf of the Fund, that may create conflicts of interest between the Fund, the Shareholders, the Management Company. An interest is a source of a benefit of any kind whatsoever and a conflict of interest is a situation in which the interest of the Depositary during performance of its activities conflicts with the interest of the Fund, the Shareholders and/or the Management Company.

The Depositary may provide the Fund, directly or indirectly, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services, as well as the capital links between the Depositary and some service providers and/or governing bodies of the Fund, may lead to potential conflicts of interests between the Depositary and the Fund.

Situations that may give rise to a potential conflict of interest during performance of the Depositary's activities may include the following:

- the probability that the Depositary will make a financial gain or avoid a financial loss, at the Fund's expense;
- the Depositary's interest while it performs its activities is not the same as the Fund's interest;
- financial or other reasons exist that might encourage the Depositary to act in the interest of a client rather than in the interest of the Fund;
- the Depositary receives or will receive a benefit in connection with the performance of its activities, other than its usual fees, from a counterparty other than the Fund;
- some members of the staff of Banque Degroof Petercam Luxembourg S.A. are members of the Fund's Board of Directors;

- the Depositary and the Management Company are linked, directly or indirectly, to Banque Degroof Petercam S.A. and some members of the staff of Banque Degroof Petercam S.A. are members of the Management Company's board of directors;
- the Depositary also acts as central administration agent of the Fund;
- the Depositary delegates the safekeeping of certain assets of the Fund to a number of sub-custodians;
- the Depositary may provide additional banking services beyond the depositary services.

The Depositary may perform these activities provided it has put in place functional and organisational barriers to separate performance of its tasks as Depositary from its other potentially conflictual tasks, and the potential conflicts of interest are duly and properly identified, managed, monitored and disclosed to the Fund Shareholders.

In order to identify, prevent and minimize conflicts of interest that may arise, the conflict of interest procedures and measures put in place by the Depositary include practical measures to ensure that if a conflict of interest arises the Depositary's interest is not unfairly prioritised.

Especially:

- staff members of Banque Degroof Petercam Luxembourg S.A. which are members of the Fund's Board of Directors will not interfere in the management of the Fund which remains delegated to the Management Company which will ensure it, or delegate it, following its own procedures, rules of conduct and staff;
- none of the staff of Banque Degroof Petercam Luxembourg S.A., performing or participating in the safekeeping, oversight and/or cash flow monitoring functions can be a member of the Board of Directors of the Fund.

The Depositary publishes on the following website, <http://www.degroof.lu/?lang=en#!/page/investisseur-institutionnel/uci-establishment-and-administration>, the list of delegates and sub-delegates it uses.

The selection and monitoring process of sub-custodians is handled in accordance with the Law of 2010. The Depositary monitors any potential conflicts of interests that may arise with sub-delegates. To date, it should be noted that a sub-delegate for the Belgian market, i.e. Banque Degroof Petercam S.A., belongs to the same group as the Depositary, which could bring up some conflicts of interest. The Depositary shall exercise the same care in the selection and supervision of sub-delegates and applies the same level of monitoring and due diligence to Banque Degroof Petercam S.A. as to other sub-delegates. At present, the Depositary therefore confirms that no situation of conflicts of interest with any delegates or sub-delegates could be identified.

When, despite the measures in place to identify, prevent and minimize conflicts of interest that may arise with the Depositary, such a conflict arises, the Depositary shall at all times comply with its legal and contractual obligations to the Fund. If a conflict of interest was likely to significantly and adversely affect the Fund or the Shareholders of the Fund and cannot be resolved, the Depositary shall duly inform the Fund, which will take appropriate action.

Updated information relating to the Depositary may be obtained by shareholders upon request.

## **DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT**

The Management Company has appointed Banque Degroof Petercam Luxembourg S.A. as the domiciliary and corporate agent (the "Domiciliary and Corporate Agent") for the Fund. In such capacity, it will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents to the shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The Management Company has appointed Banque Degroof Petercam Luxembourg S.A. as the administrative agent (the "Administrative Agent") for the Fund. In such capacity, it will be responsible for all administrative duties required by Luxembourg law, and in particular for the bookkeeping and the calculation of the Net Asset Value per Share of any class of Shares within each Sub-Fund, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The Management Company has appointed Banque Degroof Petercam Luxembourg S.A. as the registrar (the "Registrar") and transfer agent (the "Transfer Agent") for the Fund, which will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and conversions and accepting transfers of funds, for the safekeeping of the register of shareholders of the Fund, the delivery of Share certificates, if requested, the safekeeping of all non-issued Share certificates of the Fund, for accepting Share certificates tendered for replacement, redemption or conversion, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

Regarding the offering in jurisdictions other than the Grand Duchy of Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised paying agents could also be charged with the costs of the function carried out by these agents in the jurisdiction in which the offering is made.

The rights and duties of the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent are governed by an agreement entered into for an unlimited period of time and which may be terminated at any time by the Management Company or Banque Degroof Petercam Luxembourg S.A. on giving a six months' prior written notice.

## **INVESTMENT MANAGER AND INVESTMENT ADVISER**

In order to carry out the policy of any Sub-Fund, the Management Company may delegate the investment management function to one or more investment managers for each Sub-Fund, as specified in Part B of the Prospectus (individually the "Investment Manager" and collectively the "Investment Managers").

The Investment Manager provides the Management Company with advice, reports and recommendations in connection with the management of the assets of the relevant Sub-Fund(s) and shall advise the Management Company as to the selection of the securities and other assets constituting the portfolios of the relevant Sub-Fund(s) and has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Sub-Fund's portfolio.

In addition, the Management Company and/or the Investment Manager(s) may be assisted by one or more investment advisers for each Sub-Fund, as specified in Part B of the Prospectus (individually the "Investment Adviser" and collectively the "Investment Advisers"). An Investment Adviser may so be designated to provide investment advice on any particular category of assets of any Sub-Fund when it is considered that such an investment adviser has specific knowledge and skills in the contemplated assets. The Management Company nor the Investment Manager as the case may be, will never be bound by the advice provided by the Investment Adviser.

The appointment of an Investment Manager and/or of an Investment Adviser will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

## **TAXATION**

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

### **A. Taxation of the Fund in Luxembourg**

The Fund is not liable to any Luxembourg tax on profits or income. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares, intended for institutional investors. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

#### **General**

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

The Fund was liable to an initial capital tax of EUR 1,250 which was paid upon incorporation.

### **B. Luxembourg Taxation of shareholders**

#### **Automatic Exchange of Information**

European Directive 2014/107/EU of 9 December 2014 (the 'Directive') amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, like other international agreements, such as those that have been or will be adopted in connection with the information exchange standard developed by the OECD (more generally known as the 'Common Reporting Standard' or 'CRS'), require participating jurisdictions to obtain information from their financial institutions and to exchange such information as from 1 January 2016.

Pursuant, in particular, to the Directive, investment funds, which are considered to be Financial Institutions, are required to collect specific information intended to properly identify their Investors.

In addition, the Directive requires that the personal and financial data<sup>1</sup> of each Investor who is:

- an individual or legal entity considered to be a reportable person<sup>2</sup>, or
- a passive non-financial entity (NFE)<sup>3</sup> with controlling persons who are reportable persons<sup>4</sup>,

be reported by the Financial Institution to the competent local Tax Authorities, which will, in turn, forward such information to the Tax Authorities of the country(ies) in which the Investor resides.

If the Fund's shares are held in an account with a financial institution, such institution will be responsible for reporting the required information.

Consequently, the Fund, whether directly or indirectly (i.e. through an intermediary appointed for such purpose):

- may, at any time, request and obtain from any Investor updates to the documents and information already provided, as well as any additional document or information for any purpose whatsoever;
- is required by the Directive to report all or some of the information provided by Investors in connection with their investment in the Fund to the competent local Tax Authorities.

The Investor is hereby informed of the potential risk of an inaccurate and/or erroneous exchange of information in the event the information he provides ceases to be accurate or complete. In the event of a change that impacts the information provided, the Investor shall promptly inform the Fund (or any intermediary it appoints for such purpose) and furnish, if necessary, a new certificate within 30 days *from the event that causes the information to become inaccurate or incomplete*.

The mechanisms and scope of this information exchange regime may change over time. Each Investor is recommended to consult his own tax adviser to determine the impact that the CRS provisions may have on an investment in the Funds.

In Luxembourg, under the Act of 2 August 2002 relating to the protection of individuals in relation to the processing of personal data, the Investor has a right to access and rectify data about him that are reported to the Tax Authorities. These data are kept by the Fund (or any intermediary it appoints for such purpose) in accordance with the provisions of that Act.

---

Notes:

<sup>1</sup>*Including, but not limited to, name, address, country of residence, tax identification number, date and place of birth, bank account number, the amount of income generated, the proceeds from sales, redemptions or refunds, and the value of the 'account' during the calendar year or upon the closure thereof.*

<sup>2</sup>*An individual or legal entity who is not a resident of the country in which the Fund is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>*

<sup>3</sup>*Non-Financial Entity, i.e. an Entity that is not a Financial Institution under the Directive.*

<sup>4</sup>*An individual or legal entity who is not a resident of the country in which the Fund is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>*

### C. Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (**FATCA**), which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act, was enacted in the US in 2010 and took effect on 1 July 2014. The Act requires that foreign financial institutions (**FFIs**), that is financial institutions established outside of the US, report information on financial accounts held by specified US persons or non-US entities with one or more controlling person that is a specified US person (together referred to as "**US reportable accounts**") to the US tax authorities (Internal Revenue Service, **IRS**) every year. A withholding tax of 30% is also levied on revenue from a US source paid to FFIs that do not comply with the requirements of FATCA ("**non participating FFIs**").

On 28 March 2014, the Grand Duchy of Luxembourg signed an intergovernmental agreement with the US ("**Luxembourg IGA**"). Funds that are considered FFIs are required to comply with the Luxembourg IGA as introduced into national law following its ratification rather than comply directly with the FATCA regulations as issued by the US government.

Pursuant to the Luxembourg IGA, funds are required to collect specific information identifying their shareholders/unitholders and all intermediaries (nominees) acting on behalf of the latter. Funds will be required to report information they have about US reportable accounts and non-participating FFIs to the Luxembourg tax authorities, which in turn relay that information automatically to the IRS.

Funds must comply with the provisions of the Luxembourg IGA as introduced into national law following its ratification in order to be considered compliant with the FATCA and to be exempt from the 30% withholding tax levied on US investments, whether real or considered as such. To guarantee such compliance, the Fund or any authorised agent may

- a. seek information or additional documentation, including US tax forms (Forms W-8 / W-9) and a GIIN (Global Intermediary Identification Number), where necessary, or any other documentary evidence of the identification of a shareholder, intermediary, and their respective status pursuant to FATCA,
- b. report information specifically related to a shareholder and its account to the Luxembourg tax authorities if it is considered a US reportable account pursuant to the Luxembourg IGA, or if the account is believed to be held by a non-participating FFI pursuant to FATCA, and
- c. where required, arrange for the deduction of US withholding tax applicable to payments made to certain shareholders, in accordance with FATCA.

Notions and terms related to the FATCA should be interpreted and understood with reference to the definitions of the Luxembourg IGA and the texts ratifying this agreement under applicable national law, and solely on a secondary basis according to the definitions contained in the FATCA Final Regulations issued by the US government. ([www.irs.gov](http://www.irs.gov)).

The Fund may be required as part of its compliance with FATCA to disclose to the US tax authorities, via the Luxembourg tax authorities, personal information related to specified US persons, non-participating foreign financial institutions (FFIs), and passive non-financial foreign entities (passive NFFEs) with one or more controlling person that is a specified US person.

In the event of doubt concerning their status under FATCA or the implications of FATCA or the IGA in terms of their personal situation, investors are recommended to consult their financial, legal or tax advisor before subscribing for Shares in the Fund.

\* \* \* \* \*

The above provisions are based on current law and practices and are subject to change. They are not exhaustive and do not constitute legal or tax advice.

The Fund recommends to potential shareholders that they should obtain information and, if necessary, advice regarding the laws and regulations applying to the subscription, purchase, holding, redemption and sale of shares in their country of origin, residence or domicile.

## GENERAL INFORMATION

### 1) Corporate Information

The Fund was incorporated for an unlimited period of time on 29 November 2006 and is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, and by the Law of 2010.

The registered office of the Fund is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Fund is recorded at the Luxembourg Trade and Company Register ("Registre de Commerce et des Sociétés") under the number B 121.973.

The Articles were published in the "Mémorial C, Recueil des Sociétés et Associations" (the "Mémorial") of 18 December 2006, and have been filed with the Chancery of the District Court of Luxembourg together with the "Notice légale" on the issue and sale of Shares. Any interested person may inspect these documents at the Luxembourg Trade and Company Register website [www.rcsl.lu](http://www.rcsl.lu) against payment of the Luxembourg Trade and Company Register fees. Copies of the updated Articles are available, free of charge and on request, at the registered office of the Fund and on the internet website [www.fundsquare.net](http://www.fundsquare.net).

The minimum capital of the Fund as provided by law, which must be achieved within 6 months from the date on which the Fund has been authorized as an undertaking for collective investment under Luxembourg law, is EUR 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at EUR 31,000 divided into 310 fully paid-up Shares of no par value.

The Fund is open-ended which means that it may, at any time on the request of the shareholders, redeem its Shares at prices based on the applicable Net Asset Value per Share of the relevant Sub-Fund.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

The Board of Directors of the Fund may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

The Articles, at Article 10, contain provisions enabling the Fund to restrict or prevent the ownership of Shares by U.S. persons.

## 2) Meetings of, and Reports to, shareholders

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the Mémorial and in any Luxembourg and other newspaper(s) that the Board of Directors may determine also in respect to the countries in which Shares are listed on a Stock Exchange. Such notices will indicate the date and time of the meeting as well as the agenda, the quorum requirements and the conditions of admission.

If all the Shares are only issued in registered form, convening notices may be mailed by registered mail to each registered shareholder without any further publication.

If the Articles are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the Mémorial.

In accordance with the conditions laid down in the Luxembourg laws and regulations, the convening notice to any general meeting of the shareholders of the Fund may provide that the quorum and the majority applicable at the general meeting shall be determined according to the shares issued and outstanding at a certain date and a certain time prior to the general meeting (referred to as "Record Date"). The right of a shareholder to attend a meeting and to exercise the voting rights attaching to its shares are determined in accordance with the shares held by this shareholder at the Record Date.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditors.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting on the last Thursday in the month of April at 11.30 a.m.. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day in Luxembourg.

The shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

The combined accounts of the Fund shall be maintained in EUR being the currency of the share capital. The financial statements relating to the various separate Sub-Funds shall also be expressed in the relevant Reference Currency for the classes of Shares or Sub-Funds.

### **3) Dissolution and Liquidation of the Fund**

The Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Fund shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by the simple majority of the votes of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital set by Article 5 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the votes of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators who may be physical persons or legal entities appointed by the general meeting of shareholders which shall determine their powers and their compensation.

The net proceeds of liquidation corresponding to each class of Shares in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant class of Shares in such Sub-Fund in proportion to their holding of such Shares.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010. Such law specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

### **4) Dissolution and Merger of Sub-Funds**

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to an amount below EUR 10 million or the equivalent in any other Reference Currency, being the amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund or in order to proceed to an economical rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. The Fund shall serve a notice to the holders of the relevant Shares at least thirty days prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the effective date for the compulsory redemption.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of nine months thereafter; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of the Fund or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the Law of 2010, in particular concerning the merger project and the information to be provided to the shareholders.

Merger of Sub-Funds will fulfil the Law of 2010. Any merger will be decided by the Board of Directors unless it decides to submit such decision to the general meeting of shareholders of the sub-fund concerned.

No quorum shall be required for such general meeting and the decision will be adopted by simple majority of the cast votes.

If the merger would lead to the liquidation of the Fund, this must be decided by a general meeting with quorum and majority rules required for amendment of the Articles of Incorporations

## PART B: SPECIFIC INFORMATION

### I. SUB-FUND ZENIT MULTISTRATEGY SICAV Global Opportunities

#### 1. Name

The name of the Sub-Fund is "ZENIT MULTISTRATEGY SICAV Global Opportunities" (or "Global Opportunities").

#### 2. Specific Investment Policy and Investment Restrictions

##### Investment Policy

The **Global Opportunities** Sub-Fund has for objective to provide its investors with a medium-long term capital growth, by a diversified portfolio of equity securities issued by international companies listed on official stock markets and debt securities issued by international issuers, qualifying as transferable securities. The investment approach follows an active management strategy without regard to geographical or sector allocation, security type or size. The same investment policy may be applied through investment in units of UCITS and other UCIs subject to the restrictions set forth under Part A, Section II, A., C., D. and E. The **Global Opportunities** Sub-Fund may also invest in unquoted securities in accordance with the limits set forth in Part A of the Prospectus.

For the avoidance of doubt, the convertible bonds are to be considered as debt securities and shall therefore be aggregated to the ratios applicable to debt securities.

The **Global Opportunities** Sub-Fund will not invest more than 10% of its assets in the units or shares of UCITS or other UCIs.

It should be noted that the investment in units or shares of other UCITS and UCIs may entail a duplication of certain fees and expenses.

If the **Global Opportunities** Sub-Fund invests in units or shares of UCITS or UCIs managed by the investment managers' group, no subscription or redemption fee will be charged for investments by the **Global Opportunities** Sub-Fund into other investment funds of the investment managers' group.

On an ancillary basis, the **Global Opportunities** Sub Fund may hold liquid assets.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Global Opportunities** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a regulated market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depository may not exceed 20% of the Sub-Fund's net assets.

The Net Asset Value per Share of the **Global Opportunities** Sub-Fund is expressed in EUR.

## **Investment Restrictions**

Subject to the provisions set forth in Part A of the Prospectus,

- the equity or equity-related securities will not exceed 90% of the net assets
- no more than 50% of the net assets in equities quoted on emerging countries' stock exchanges
- no more than 50% of the net assets in non investment grade bonds, including bonds issued in emerging countries

It is understood that these limits only apply to direct equities, bonds and related securities and UCITS and/or UCIs investing principally in equities and bonds; i.e. financial derivative instruments on equities or on bonds are not taken into account for the calculation of these restrictions.

## **Risk Profile**

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

The assets of the **Global Opportunities** Sub-Fund are subject to market fluctuations and the risks inherent in any investment in equities and bonds. Even if the latter offer a certain downside protection compared with equities, investments in emerging markets can be more volatile than in "traditional" markets.

This excessive volatility is often determined by the liquidity conditions of these assets in a period of political instability, during monetary crises (in particular credit crises) and economic crises.

At such times, investors may be exposed to high risks of loss, due also to a regulatory and operational framework that is often less efficient than in "traditional" markets.

No guarantee can be given that the **Global Opportunities** Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

## **Profile of targeted investors**

This Sub-Fund is suitable for investors who want to benefit from the financial market movements. The investor must be able to accept temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 3 years.

## **3. Distribution Policy**

Since the **Global Opportunities** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

#### **4. Form and classes of Shares**

The Sub-Fund offers four classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class R Retail Shares, intended for retail investors with distribution's agent
- Class P Private Shares, intended for individual investors with direct placement and for private investors through management or advisory mandate
- Class Q Shares, intended for all types of investors, listed and tradable on a regulated European Stock Exchange

The difference between these classes of Shares relates to the status of the investors, the applicable minimum investment requirement and the applicable marketing fees.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

Class Q is available and will be traded for the first time on November 10, 2015 at a price of EUR 100 per share.

#### **5. Minimum Investment**

The minimum initial investment and holding requirement per investor in the **Global Opportunities** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 250,000.-	N/A
Class R Shares	EUR 1,000.-	EUR 100.-
Class P Shares	EUR 5,000.-	EUR 100.-
Class Q Shares	1 SHARE	1 SHARE

#### **6. ISIN codes**

Class I Shares	LU0280697748
Class R Shares	LU0280697821
Class P Shares	LU0280698043
Class Q Shares	LU1258032298

#### **7. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No subscription fee is applicable to the subscription price.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed application forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Application forms received after this deadline will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Global Opportunities** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

## **8. Redemptions**

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this deadline and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

## **9. Conversions**

The Shares of the **Global Opportunities** Sub-Fund may be converted into Shares of the same Class of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Global Opportunities** Sub-Fund.

## **10. Reference Currencies of Global Opportunities**

The Net Asset Value per Share of each class of Shares of the **Global Opportunities** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

## **11. Frequency of the Net Asset Values (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the **Global Opportunities** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day ("Valuation Day") or, if such day is not a Business Day, on the next following Business Day.

The calculation of the Net Asset Value per Share will be executed on the next following Business Day on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

## **12. Management Company Fees**

A management fee is payable to the Management Company by the **Global Opportunities** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Global Opportunities** Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets  
0.050% per annum on the average net assets over EUR 10 million  
with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the **Global Opportunities** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable monthly in arrears and calculated on the average of the net assets of the **Global Opportunities** Sub-Fund in the respective class of Shares for the relevant month as follows:

	marketing fees
Class I Shares	0% per annum
Class R Shares	Up to 1.40% per annum
Class P Shares	Up to 0.75% per annum
Class Q Shares	0%

## **13. Investment Manager**

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Zenit SGR Spa is acting as Investment Manager.

Zenit SGR Spa is a management company incorporated in Italy as Società di Gestione del Risparmio in 1998. Its corporate capital amounts to EUR 2.5 million at 31 December 2005. Its registered office is at 7, Via Privata Maria Teresa, I-20123 Milano, Italy. The company is registered at # 14 in the "Albo" of SGR held by Banca d'Italia. The company is authorized by Banca d'Italia and CONSOB (Commissione Nazionale per le Società e la Borsa, the Italian Security and Exchange Regulatory) to manage UCITS and other UCIs including the individual investment management, the administration and marketing of products under management.

## **14. Investment Management Fees**

A management fee is payable to the Investment Manager by the Management Company at the charge of the **Global Opportunities** Sub-Fund, in compensation for its services. Such fee is set at the annual rate of 0.95% per annum, payable monthly in arrears and calculated on the average of the net assets of Classes I Share, P Share and R Share for the relevant month and at the annual rate of 1.150% per annum, payable monthly in arrears and calculated on the average of the net assets of Class Q Share for the relevant month.

In addition, the Investment Manager is entitled to receive from the Management Company at the charge of the **Global Opportunities** Sub-Fund quarterly performance fees.

#### Performance fee for Class I Shares:

The quarterly performance fee in respect of the Class I Shares represents 10% of the increase of the Net Asset Value per Share before the calculation of the performance fee, in relation to the reference Net Asset Value per Share. The reference Net Asset Value per Share is the highest one ever previously achieved by the Class I Shares in the **Global Opportunities** Sub-Fund; in the case of any dividend payment, this will be added to the Net Asset Value for the purpose of the calculation of the highest Net Asset Value ever achieved.

A provision shall be created for the performance fee on each Valuation Day, on the basis of the number of Shares outstanding in the Class I Shares in the **Global Opportunities** Sub-Fund on that Valuation Day.

Under the high water mark ("HWM") principle, the reference NAV per share of the class will be maintained, as the case may be, until an outperformance of the NAV per share of the class is recorded. The HWM will be reset at each fiscal year end by considering as new HWM the last NAV per share of the class of the previous fiscal year.

The amount of the provision is paid to the Management Company in favour of the Investment Manager at the end of each quarter.

#### Performance fee for other classes of shares:

The quarterly performance fee in respect of Classes P, Q and R Shares represent per Share 10% of the quarterly positive performance of the Net Asset Value per Share of the relevant Class of Shares in the **Global Opportunities** Sub-Fund. The amount of the performance fee as calculated on a daily basis will be withdrawn on a daily basis from the **Global Opportunities** Sub-Fund's assets attributable to the relevant Class of Shares and accrued in view of the payment at the end of each quarter of such performance fee. In case of a redemption of Shares on which a performance fee is accrued, such performance fee will be deemed realised and becomes payable immediately. The daily accruals of the performance fee are aggregated in order to determine a positive or negative end-result. If the end-result at the end of each quarter is negative, no performance fee will be paid. **A negative end-result will however not be brought forward from one quarter to another.** The performance fee accrued on each Valuation Day will equal:

$$N \times 10\% \times (\text{NAV1} - \text{NAV2})$$

Where:

- N = the number of Shares in issue in the relevant Class of Shares on the relevant Valuation Day.
- NAV1 = the Net Asset Value per Share on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee).
- NAV2 = the Net Asset Value per Share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee on that date).

#### **15. Listing on the Stock Exchange**

The Shares of the **Global Opportunities** Sub-Fund are listed on the Luxembourg Stock Exchange, and the Class Q on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1<sup>st</sup> December 2014, Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Global Opportunities** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

## **16. Publication of the NAV**

The Net Asset Values per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and in the Il Sole 24 Ore.

## **17. Taxation**

The **Global Opportunities** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares.

## PART B: SPECIFIC INFORMATION

### II. SUB-FUND ZENIT MULTISTRATEGY SICAV Stock-Picking PIR

#### 1. Name

The name of the Sub-Fund is "ZENIT MULTISTRATEGY SICAV Stock-Picking PIR" (or "Stock-Picking PIR").

#### 2. Specific Investment Policy

The Sub-Fund's Shares are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the 2017 Italian Budget Law (Law No. 232 of 11 December 2016).

The Sub-Fund invests in instruments which are authorized and eligible for investment under the "Piano Individuale di Risparmio a lungo termine" (PIR) regime as defined by the 2017 Italian Budget Law (Law No. 232 of 11 December 2016).

The Sub-fund may be invested in equities of the Italian Market up to 100% of its assets and in any case the weight of the Italian Equity Market will never be lower than 70% of its assets.

The **Stock-Picking PIR** Sub-Fund must invest at least 70% of its assets in Italian equities, equity linked securities (including depository receipts, warrants and other participation rights), index and participation notes, equity linked notes, bonds and other debt securities, deposits with credit institutions and money market instruments, whether or not negotiated on a regulated market or on a multilateral trading facility, and issued by, or entered into with companies, which are not engaged in real estate, and which are domiciled in Italy, or in an European Union or European Economic Area Member State and have a permanent establishment in Italy.

At least 30% of the instruments listed above, representing at least 21% of the total value of the Sub-Fund's assets, must be issued by companies that are not components of the FTSE MIB index (the "FTSE MIB") or an equivalent index.

Investments in the above categories of eligible assets may be made either direct or through an investment in other UCITS and UCIs subject to the restrictions set forth under Part A. Sections II. A., C., D. and E. The proportion invested in equities and equity linked securities may thus vary between 0% and 100% of the Sub-fund's assets.

The Sub-Fund cannot invest more than 10% of the total value of its assets in financial instruments that are issued by or entered into with a single company, or by companies belonging to the same group, or in cash deposits.

Subject to the above mentioned constraints, the Sub-Fund may invest up to 30% outside of the aforementioned universe, such as in bonds and other debt securities, money markets instruments, cash or cash equivalent and deposits with credit institutions. For the avoidance of doubt, convertible bonds are to be considered as debt securities and shall therefore be aggregated to the ratios applicable to debt securities.

The Sub-Fund cannot invest in companies that are domiciled in a country that has not signed an appropriate information-sharing agreement with Italy.

It is understood that these limits only apply to direct equities, bonds and related securities and UCITS and/or UCIs investing principally in equities and bonds; i.e. financial derivative instruments on equities or on bonds are not taken into account for the calculation of these restrictions.

The **Stock-Picking PIR** Sub-Fund will not invest more than 10% of its net assets in the units of UCITS or other eligible UCIs, in order to be eligible for investment by UCITS governed by the UCITS Directive 2009/65/EC.

The Sub-Fund may only invest in units of UCITS or other UCIs, which demonstrate an investment policy compatible with the Sub-Fund's investment policy. It should be noted that the investment in units of other UCITS and UCIs may entail a duplication of certain fees and expenses.

If the **Stock-Picking PIR** Sub-Fund invests in units of UCITS or UCIs managed by the investment managers' group, no subscription or redemption fee will be charged for investments by the **Stock-Picking PIR** Sub-Fund into other investment funds of the investment managers' group.

The Net Asset Value per Share of the **Stock-Picking PIR** Sub-Fund is expressed in EUR.

### **Risk Profile**

This Sub-Fund will invest primarily in equities of the Italian Market.

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk). However, the investment in debt securities is designated to reduce volatility and to lead greater stability over the long term.

No guarantee can be given the **Stock-Picking PIR** Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

### **Profile of targeted investors**

This Sub-Fund is most suited to investors who want to benefit from the stock market movements through the investment in equities. The investor must be able to accept temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 5 years.

### **3. Distribution Policy**

Since the **Stock-Picking PIR** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

### **4. Form and classes of Shares**

The Sub-Fund offers the following classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class R Retail Shares, intended for retail investors with distribution's agent
- Class P Private Shares, intended for individual investors with direct placement and for private investors through management or advisory mandate
- Class Q Shares, intended for all types of investors, listed and tradable on a regulated European Stock Exchange

The difference between these classes of Shares relates to the status of the investors, the applicable minimum investment requirement and the applicable marketing fees.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

### **5. Minimum Investment**

The minimum initial investment and holding requirement per investor in the **Stock-Picking PIR** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 250,000.-	N/A
Class R Shares	EUR 1,000.-	EUR 100.-
Class P Shares	EUR 30,000.-	EUR 100.-
Class Q Shares	1 SHARE	1 SHARE

### **6. ISIN codes**

Class I Shares	LU0366471919
Class R Shares	LU0366472214
Class P Shares	LU0366472560
Class Q Shares	LU1172560655

## **7. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No subscription fee is applicable to the subscription price.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed application forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Application forms received after this deadline will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Stock-Picking PIR** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

## **8. Redemptions**

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this deadline will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

## **9. Conversions**

The Shares of the **Stock-Picking PIR** Sub-Fund may be converted into Shares of the same Class of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Stock-Picking PIR** Sub-Fund.

## **10. Reference Currencies of Stock-Picking PIR**

The Net Asset Value per Share of each class of Shares of the **Stock-Picking PIR** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

## **11. Frequency of the Net Asset Values (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the **Stock-Picking PIR** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day ("Valuation Day") or, if such day is not a Business Day, on the next following Business Day.

The calculation of the Net Asset Value per Share will be executed on the next following Business Day on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

## **12. Management Company Fees**

A management fee is payable to the Management Company by the **Stock-Picking PIR** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Stock-Picking PIR** Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets  
0.050% per annum on the average net assets over EUR 10 million  
with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the **Stock-Picking PIR** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable monthly in arrears and calculated on the average of the net assets of the **Stock-Picking PIR** Sub-Fund in the respective class of Shares for the relevant month as follows:

		marketing fees
Class I Shares		0% per annum
Class R Shares		Up to 1.10% per annum
Class P Shares		Up to 0.75% per annum
Class Q Shares		0%

## **13. Investment Manager**

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Zenit SGR Spa is acting as Investment Manager.

Zenit SGR Spa is a management company incorporated in Italy as Società di Gestione del Risparmio in 1998. Its corporate capital amounts to EUR 2.5 million at 31 December 2005. Its registered office is at 7, Via Privata Maria Teresa, I-20123 Milano, Italy. The company is registered at # 14 in the "Albo" of SGR -UCITS manager Section held by Banca d'Italia. The company is authorized by Banca d'Italia and CONSOB (Commissione Nazionale per le Società e la Borsa Italiana, the Italian Security and Exchange Regulatory) to manage UCITS and other UCIs including the individual investment management, the administration and marketing of products under management.

## **14. Investment Management Fees**

An Investment Management Fee is payable to the Investment Manager by the Management Company at the charge of the **Stock-Picking PIR** Sub-Fund, in compensation for its services. Such fee is set at the annual rate of 0.90% per annum, payable monthly in arrears and calculated on the average of the net assets of the **Stock-Picking PIR** Sub-Fund for the relevant month.

In addition, the Investment Manager is entitled to receive from the Management Company, at the charge of the Sub-Fund, and at the end of each accounting year, a **performance fee** equal to 20% of the outperformance of the respective class of Shares of the Sub-Fund compared with the Comit Performance R 10/40 benchmark (the "Benchmark"). There is outperformance of the net asset value (the "NAV") per Share of the respective class of Shares compared with the Benchmark if the NAV performance on the last Valuation Day of the accounting year under review compared to the last Valuation Day of the previous

accounting year ("reference NAV") is higher than the performance of the Benchmark. If there is an under-performance for a given period or a given accounting year, this under-performance would not be taken into consideration. The amount of the performance fee will be accrued at each net asset value calculation, based on the outstanding Shares on the day the Net Asset Value is calculated. The amount of the performance fee will be equal to 20% of the outperformance of the respective class of Shares compared with the Benchmark.

In the event of a redemption, other than on the last day of an annual period, the amount of any Performance Fee accrued and attributable to the redeemed Shares will be crystallized at the redemption date and become payable to the Investment Manager.

## **15. Listing on the Stock Exchange**

The Shares of the **Stock-Picking PIR** Sub-Fund are listed on the Luxembourg Stock Exchange, and the Class Q on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1<sup>st</sup> December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Stock-Picking PIR** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

## **16. Publication of the NAV**

The Net Asset Values per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and in the Il Sole 24 Ore.

## **17. Taxation**

The Stock-Picking PIR Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (taxe d'abonnement), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares.

The Sub-Fund's Shares are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR), under the Italian 2017 Budget Law (Law No 232 of 11 December 2016). Accordingly, the investor can take advantage of tax benefits envisaged by the mentioned law only if all requirements provided in that law are satisfied.

## PART B: SPECIFIC INFORMATION

### III. SUB-FUND ZENIT MULTISTRATEGY SICAV – STABILITY

#### 1. Name

The name of the Sub-Fund is "ZENIT MULTISTRATEGY SICAV Stability" (or "Stability").

#### 2. Specific Investment Policy

##### Investment Policy

Investments of the **Stability** Sub-Fund will consist, for a minimum of 50.1% of its net assets, of units or shares of other UCITS and/or UCIs (including those established as Exchange Traded Funds ("ETFs")), within the meaning of Article 1, paragraph (2), sub-paragraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010, without any constraint in term of assets classes allocation.

The Sub-Fund does not intend to invest directly in China, Russia or India. Nevertheless, it may gain exposure to Russian, Indian and Chinese A-Shares market indirectly by investing in UCITS and/or UCIs which invest directly or indirectly in these markets, including in Chinese A-Shares.

It should be noted that the investment in units or shares of other UCITS and UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the **Stability** Sub-Fund and to the other UCITS and/or UCIs may not exceed 5%.

If the **Stability** Sub-Fund invests in units of UCITS or UCIs managed by the investment managers' group, no subscription or redemption fee will be charged for investments by the **Stability** Sub-Fund into other investment funds of the investment managers' group.

The remainder of the assets may directly be invested in equities, equities linked securities, convertible bonds, other corporate bonds, government bonds and money market instruments.

The investment policy will be flexible in terms of geographic, rating and sector allocation. The Investment Managers will provide a broad diversification through the asset class according to his expectations.

Considering both direct and indirect investments, the **Stability** Sub-Fund can be globally exposed up to 100% of its net assets in bonds and other debt securities.

Considering both direct and indirect investments, the **Stability** Sub-Fund can be globally exposed up to maximum 50% of its net assets in equities and equity-linked securities.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Stability** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so

as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depository may not exceed 20% of the Sub-Fund's net assets.

The Net Asset Value per Share of the **Stability** Sub-Fund is expressed in EUR.

### **Risk Profile**

The assets of the Sub-Fund are subject to market fluctuations and to the risks inherent in any investment in equities and bonds.

No guarantee can be given that the Sub-Fund's objective will be achieved. This Sub-Fund has no capital protection; therefore, the return of the investment could be negative.

The value of equity funds may increase or decrease and so no guarantee can be given that investors will recover the initial amount invested. The income deriving from shares may be subject to fluctuations in monetary terms and variations in exchange rates may determine an increase or a decrease of the shares' value. The taxable income and the withholding tax may vary.

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

No guarantee can be given that the investment objective will be achieved.

### **Profile of targeted investors**

This Sub-Fund is most suited to investors who want to benefit from the stock market movements through the investment in equities, while enjoying some downside protection offered by the investment in debt securities.

The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 3 years.

### **3. Distribution Policy**

Since the **Stability** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

#### 4. Form and classes of Shares

The Sub-Fund offers four classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class R Retail Shares, intended for retail investors with distribution's agent
- Class P Private Shares, intended for individual investors with direct placement and for private investors through management or advisory mandate
- Class Q shares, intended for all type of investors, listed and tradable on a regulated European Stock Exchange

The difference between these classes of Shares relates to the status of the investors, the creation and redemption policy, the applicable minimum investment requirement and the applicable marketing fees.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

#### 5. Minimum Investment

The minimum initial investment and holding requirement per investor in the **Stability** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 300,000	N/A
Class R Shares	EUR 2,500	EUR 100
Class P Shares	EUR 300,000	EUR 100
Class Q Shares	1 SHARE	1 SHARE

#### 6. ISIN codes

Class I Shares	LU1172559640
Class R Shares	LU1172559996
Class P Shares	LU1172560069
Class Q Shares	LU1172560226

#### 7. Subscriptions and Subscription Fee

The subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No subscription fee is applicable to the subscription price.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed application forms must be received by the Fund in Luxembourg no later

than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Application forms received after this deadline will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Stability** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

## **8. Redemptions**

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this deadline will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

## **9. Conversions**

The Shares of the **Stability** Sub-Fund may be converted into Shares of the same Class of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Stability** Sub-Fund.

## **10. Reference Currency**

The Net Asset Value per Share of each class of Shares of the **Stability** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

## **11. Frequency of the Net Asset Values (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the **Stability** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day (“Valuation Day”) or, if such day is not a Business Day, on the next following Business Day.

The calculation of the Net Asset Value per Share will be executed on the next following Business Day on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

## **12. Management Company Fees**

A management fee is payable to the Management Company by the **Stability** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Stability** Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets  
0.050% per annum on the average net assets over EUR 10 million

with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the **Stability** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable monthly in arrears and calculated on the average of the net assets of the **Stability** Sub-Fund in the respective class of Shares for the relevant month as follows:

Class I Shares	0% per annum
Class R Shares	Up to 1% per annum
Class P Shares	Up to 0.50% per annum
Class Q Shares	0%

### **13. Investment Manager**

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Zenit SGR Spa is acting as Investment Manager.

Zenit SGR Spa is a management company incorporated in Italy as Società di Gestione del Risparmio in 1998. Its corporate capital amounts to EUR 4 million at 31 December 2013. Its registered office is at 7, Via Privata Maria Teresa, I-20123 Milano, and Italy. The company is registered at # 14 in the "Albo" of SGR – UCITS manager Section - held by Banca d'Italia. The company is authorized by Banca d'Italia and CONSOB (Commissione Nazionale per le Società e la Borsa, the Italian Security and Exchange Regulatory) to manage UCITS and other UCIs including the individual investment management, the administration and marketing of products under management.

### **14. Investment Management Fee**

A management fee is payable to the Investment Manager by the Management Company at the charge of the **Stability** Sub-Fund, in compensation for its services. Such fee is set at the annual rate of 0.90%.

In addition, the Management Company will pay to the Investment Manager, in relation to each class of Shares, an annual performance fee. The performance fee represents 20% of the increase of the Net Asset Value per Share before the calculation of the performance fee, in relation to the reference Net Asset Value ("Reference NAV") per Share. The Reference NAV per Share is the highest one ever previously achieved by the respective class of Shares of the Sub-Fund. In the case of any dividend payment, this will be added to the Net Asset Value for the purpose of the calculation of the highest Net Asset Value ever achieved. Under the high water mark ("HWM") principle, the Reference NAV per Share of each class will be maintained, as the case may be, until an outperformance of the NAV per share of the respective class is recorded. As at 15 October 2017, due to the change of performance fee methodology, the High Water Mark in relation to each class of Shares will be EUR 100.-

The amount of the performance fee will be accrued at each Net Asset Value calculation, based on the outstanding Shares of each class on the day the Net Asset Value is calculated.

All performance fees are payable out of the net assets of the Sub-Fund at the end of the calendar year.

## **15. Listing on Stock Exchange**

The Shares of the **Stability** Sub-Fund are listed on the Luxembourg Stock Exchange and the Class Q on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1<sup>st</sup> December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Stability** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

## **16. Publication of the NAV**

The Net Asset Values per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and in the Il Sole 24 Ore.

## **17. Taxation**

The **Stability** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares.

## PART B: SPECIFIC INFORMATION

### IV. SUB-FUND ZENIT MULTISTRATEGY SICAV – BOND PIR

#### 1. Name

The name of the Sub-Fund is "ZENIT MULTISTRATEGY SICAV – Bond PIR" (or "Bond PIR").

#### 2. Specific Investment Policy

The Sub-Fund's Shares are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the 2017 Italian Budget Law (Law No 232 of 11 December 2016).

The Sub-Fund invests in instruments which are authorized and eligible for investment under the "Piano Individuale di Risparmio a lungo termine" (PIR) regime, pursuant to the 2017 Italian Budget Act (Law No. 232 of 11 December 2016).

The Sub-Fund must invest at least 70% of its assets in bonds and other debt securities (including, but not limited to, convertible bonds), whether or not negotiated on a regulated market or on a multilateral trading facility, and issued by, or entered into with companies, which are not engaged in real estate, and which are domiciled in Italy, or in an European Union or European Economic Area Member State and have a permanent establishment in Italy.

At least 30% of the instruments listed above representing at least 21% of the total value of the Sub-Fund's assets, must be issued by companies that are not components of the FTSE MIB index (the "FTSE MIB") or an equivalent index.

The Sub-Fund cannot invest more than 10% of the total value of its assets in financial instruments that are issued by or entered into with a single company, or by companies belonging to the same group, or in cash deposits.

The Sub-Fund cannot invest in companies that are domiciled in a country that has not signed an appropriate information-sharing agreement with Italy.

Subject to the above mentioned constraints, the Sub-Fund may invest up to 30% outside of the aforementioned universe, such as in equities and equity-related securities, government bonds, cash or cash equivalents and deposits with credit institutions. There will not be any geographical restrictions for these ancillary investments but investment in emerging countries will remain residual. Equities and equity-related securities will not exceed 20% of the Sub-Fund's net assets.

Furthermore, the Sub-Fund will not invest more than 10% of its net assets in the units of UCITS or other eligible UCIs, in order to be eligible for investment by UCITS governed by the UCITS Directive 2009/65/EC. The Sub-Fund may only invest in units of UCITS or other UCIs, which demonstrate an investment policy compatible with the Sub-Fund's investment policy. If the Sub-Fund invests in units of UCITS or other UCIs managed by the investment managers' group, no subscription or redemption fee will be charged for investments by the Sub-Fund into other investment funds of the investment managers' group.

## **Risk Profile**

Investing in the Fund and its Sub-Funds involves risks, including in particular those associated to market fluctuations and the risks inherent in any investment in financial assets. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, or by changes to economic and monetary policies. No guarantee can be given that the Fund's and Sub-Funds' objectives will be achieved and that investors will recover the amount of their initial investment.

Past performance is not an indicator for future results or performance.

No guarantee can be given that the investment objective will be achieved.

Investors are advised to read section "Risk factors" of the Part A : Fund Information of this Prospectus.

## **Profile of targeted investors**

This Sub-Fund is most suited to investors who want to pursue a gradually value increase over a medium/long term period of capital provided by the participants in adopting a investment policy in compliance with the rule provided by 2017 Italian Budget Law (Law No 232 of 11 December 2016) .

The investor must have experience with volatile products. The investor must be able to accept temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 3 years.

## **3. Distribution Policy**

Since the Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

## **4. Form and classes of Shares**

The Sub-Fund offers the following classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class R Retail Shares, intended for retail investors with distribution's agent
- Class P Private Shares, intended for individual investors with direct placement and for private investors through management or advisory mandate

The difference between these classes of Shares relates to the status of the investors, the creation and redemption policy, the applicable minimum investment requirement and the applicable marketing fees.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

## **5. Minimum Investment and Initial Subscription Price**

The initial subscription price, minimum initial investment and holding requirement per investor in the Sub-Fund are different and related to the relevant class of Shares:

	Initial Subscription Price	Initial subscription	Subsequent subscription
Class I Shares	EUR 100.-	EUR 250,000.-	N/A
Class R Shares	EUR 100.-	EUR 1,000.-	EUR 100.-
Class P Shares	EUR 100.-	EUR 30,000.-	EUR 100.-

## **6. ISIN codes**

Class I Shares	LU1622308754
Class R Shares	LU1622309059
Class P Shares	LU1622310149

## **7. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No subscription fee is applicable to the subscription price.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed application forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Application forms received after this deadline will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

## **8. Redemptions**

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this deadline will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

## **9. Conversions**

The Shares of the Sub-Fund may be converted into Shares of the same Class of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the Sub-Fund.

#### **10. Reference Currency**

The Net Asset Value per Share of each class of Shares of the Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

#### **11. Frequency of the Net Asset Values (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day (“Valuation Day”) or, if such day is not a Business Day, on the next following Business Day.

The calculation of the Net Asset Value per Share will be executed on the next following Business Day on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

#### **12. Management Company Fees**

A management fee is payable to the Management Company by the Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets

0.050% per annum on the average net assets over EUR 10 million

with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable monthly in arrears and calculated on the average of the net assets of the Sub-Fund in the respective class of Shares for the relevant month as follows:

Class I Shares	0% per annum
Class R Shares	0.65% per annum
Class P Shares	0.35% per annum

#### **13. Investment Manager**

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Zenit SGR Spa is acting as Investment Manager.

Zenit SGR Spa is a management company incorporated in Italy as Società di Gestione del Risparmio in 1998. Its corporate capital amounts to EUR 4 million at 31 December 2013. Its registered office is at 7, Via Privata Maria Teresa, I-20123 Milano, Italy. The company is registered at # 14 in the “Albo” of SGR – UCITS manager Section - held by Banca d’Italia. The company is authorized by Banca d’Italia and CONSOB (Commissione Nazionale per le Società e la Borsa, the Italian Security and Exchange Regulatory) to manage UCITS and other UCIs including the individual investment management, the administration and marketing of products under management.

#### **14. Investment Management Fee**

A management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in compensation for its services. Such fee is set at the annual rate of 0.65%.

In addition, the Management Company will pay to the Investment Manager, in relation to each class of Shares, an annual performance fee. The Performance Fee represents 20% of the increase of the Net Asset Value per Share before the calculation of the performance fee, in relation to the reference Net Asset Value ("Reference NAV") per Share. The Reference NAV per Share is the highest one ever previously achieved by the respective class of Shares of the Sub-Fund. In the case of any dividend payment, this will be added to the Net Asset Value for the purpose of the calculation of the highest Net Asset Value ever achieved. Under the high water mark ("HWM") principle, the Reference NAV per Share of each class will be maintained, as the case may be, until an outperformance of the NAV per share of the respective class is recorded.

The amount of the performance fee will be accrued at each Net Asset Value calculation, based on the outstanding Shares of each class on the day the Net Asset Value is calculated.

All performance fees are payable out of the net assets of the Sub-Fund at the end of the calendar year.

#### **15. Listing on Stock Exchange**

The Shares of the Sub-Fund are listed on the Luxembourg Stock Exchange.

#### **16. Publication of the NAV**

The Net Asset Values per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and in the *Il Sole 24 Ore*.

#### **17. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares.

The Sub-Fund's Shares are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR), under the 2017 Italian Budget Law (Law No 232 of 11 December 2016). Accordingly, the investor can take advantage of tax benefits envisaged by the mentioned law only if all requirements provided in that law are satisfied.

## MISCELLANEOUS

### 1. Documents available

Copies of the following documents may be obtained, free of charge, during usual business hours on any Business Day in Luxembourg at the registered office of the Fund and may also be consulted on [www.fundsquare.net](http://www.fundsquare.net) :

- (i) the Prospectus;
- (ii) the KIIDs;
- (iii) the latest published annual and semi-annual reports;
- (iv) the Articles.

Subscription form may be obtained, free of charge from the Fund's registered office on request.

Information regarding procedure on client's complaints handling and a brief description of the strategy put in place by the Management Company for determining when and how voting rights attached to instruments held in the Fund's portfolio are to be exercised may be consulted from the following website [www.dpas.lu](http://www.dpas.lu) or at the registered office of the Management Company.

The Management Company applies a remuneration policy (the « Policy ») within the meaning of article 111bis of the Law of 2010 and in accordance with the principles laid down in article 111ter of the Law of 2010.

The Policy aims among others to prevent risk taking which is incompatible with a sound and effective risk management, with the business strategy, the objectives, the values and the interests of the Management Company or the Fund, with the interests of the shareholders of the Fund, to avoid potential conflicts of interests and to decorrelate the decisions relating to control operations, from the performances obtained. The Policy includes an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the long-term performance of the Fund and its investment risks. The variable remuneration component is also based on a number of other qualitative and quantitative factors. The Policy contains an appropriate balance of fixed and variable components of the total remuneration.

This Policy is adopted by the board of directors of the Management Company, who is also responsible for its implementation and supervision. The Policy applies to any kind of benefit paid by the Management Company, as well as to any amount paid directly by the Fund itself, including performance fees (if any), and to any transfer of shares of the Fund, made in favour of a category of staff covered by the Policy.

The general principles of the Policy are reviewed by the board of directors of the Management Company at least annually and are based on the size of the Management Company and/or on the size of the UCITS it manages.

The details of the up-to-date Policy are available on the website [www.dpas.lu](http://www.dpas.lu). A hard copy will be made available free of charge upon request.

## **2. Official language**

The official language of the Prospectus and of the Articles of Association is English. However, the Board of Directors, the Depositary, the Domiciliary and Corporate Agent, the Administrative Agent and the Registrar and Transfer Agent may, on their own behalf and on behalf of the Fund, consider it essential that these documents be translated into the languages of the countries in which the Fund's shares are offered and sold as well as into Italian. In case of any discrepancies between the English text and any other language into which the prospectus is translated, the English text will prevail.