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# ARISTEA SICAV

*Société d'investissement à capital variable*  
Luxembourg

PROSPECTUS

27 JULY 2023

ARISTEA SICAV (the "Fund") is registered under Part I of the Luxembourg law of 17<sup>th</sup> December 2010 on collective investment undertakings, as amended (the "2010 Law").

The distribution of this document in other jurisdictions may also be restricted; persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

In particular, the Shares are not being offered in the United States, and may be so offered only pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "1933 Act"). The Shares 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 securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act.

*U.S. Foreign Account Tax Compliance Requirements:* Although the Fund will attempt to secure the compliance of its counterparties with FATCA rules and avoid imposition of the 30% withholding tax on its US source income, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders of the Fund may be materially affected.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

The Board of Directors accepts responsibility for the accuracy of the information contained in this Prospectus on the date of publication.

All references herein to times and hours are to Luxembourg local time.

All references herein to EUR are to Euro.

This Prospectus may be updated from time to time with significant amendments. Consequently, subscribers are advised to inquire with the Fund as to the publication of a more recent prospectus.

It is recommended to subscribers to seek professional advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and selling of Shares in their place of origin, residence or domicile. This is especially applicable in the case of classes and sub-funds intended to Institutional Investors for which investors should qualify as such. Prior to applying, subscribers are recommended to make enquiries on whether the required criteria are met and whether their subscriptions can be taken into consideration.

*Data Protection Policy:*

**Data Protection**

The Fund together with the Management Company, may store on computer systems and process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, the "**Personal Data**") concerning the Shareholders and their representative(s) (including, without limitation, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their shareholders, and/or unitholders for, nominees and/or ultimate beneficial owner(s) (as applicable) (i.e. the "**Data Subjects**").

Personal Data provided or collected in connection with an investment in the Fund will be processed by the Fund, as data controller (i.e. the "**Controller** ") and by the Management Company, the Investment Manager(s), the Investment Advisor(s), the Depositary and Paying Agent, the Administrative Agent, the Investment Manager the Distributor and its appointed sub-distributors if any, the Auditor, legal and financial advisers and other potential service providers of the Fund (including its information technology providers, cloud service providers and external processing centres) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as processor on behalf of the Fund (i.e. the "**Processors**"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as controller, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

Controller and Processors will process Personal Data in accordance with the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**", as well as any law or regulation relating to the protection of personal data applicable to them (together the "**Data Protection Law**").

Further information relating to the processing of Personal Data of Data Subjects may be provided or made available, on an ongoing basis, through additional documentation and/or, through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow the Controller and/or Processors to comply with their obligations of information according to Data Protection Law.

Personal Data may include, without limitation, the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount, KYC information of Data Subjects and any other Personal Data that is necessary to Controller and Processors for the purposes described below. Personal Data is collected directly from Data Subjects by the Processors or through publicly accessible sources, social media, subscription services, Worldcheck database, sanction lists, centralised investor database, public registers or other publicly accessible sources.

Personal Data of Data Subjects will be processed by the Controller and Processors for the purposes of (i) offering investment in Shares and performing the related services as contemplated under this Prospectus, the Subscription Form, the Depositary agreement, the Administrative Agent Agreement, the Investment Management Agreements, and the Distribution Agreements, including, but not limited to, the opening of your account with the Fund, the management and administration of your Shares and any related account on an on-going basis and the operation of the Fund's investment in Sub-Funds, including processing subscriptions and redemptions, conversion, transfer and additional subscription request, the administration and payment of distribution fees (if any), payments to Shareholders, updating and maintaining records and fee calculation, maintaining the register of Shareholders, providing financial and other information to the Shareholders, (ii) developing and processing the business relationship with the Processors and optimizing their internal business organisation and operations, including the management of risk, (and, (iii) other related services rendered by any service provider of the Controller and/or Processors in connection with the holding of Shares in the Fund (hereafter the "**Purposes**").

Personal Data will also be processed by the Controller and Processors to comply with legal or regulatory obligations applicable to them and to pursue their legitimate interests or to carry out any other form of cooperation with, or reporting to, public authorities including, but not limited to, legal obligations under applicable fund and company law, prevention of terrorism financing law, anti-money laundering law, prevention and detection of crime, tax law (such as reporting to the tax authorities under FATCA and CRS Law to prevent tax evasion and fraud) (as applicable), and to prevent fraud, bribery, corruption and the provision of financial and other services to persons subject to economic or trade sanctions on an on-going basis in accordance with the anti-money laundering procedures of the Controller and Processors, as well as to retain AML and other records of the Data Subjects for the purpose of screening by the Controller and Processors, including in relation to other funds or clients of the Management Company and the Administrative Agent (hereafter the "**Compliance Obligations**").

Telephone conversations and electronic communications made to and received from the Management Company /or the Administrative Agent may be recorded by the Fund acting as controllers and / or by the Management Company /or the Administrative Agent, acting as processor on behalf of the Controller where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Controller's legitimate interests, including (i) for record keeping as proof of a transaction or related communication in the event of a disagreement, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Controller's and Processors' interests or rights in compliance with any legal obligation to which they are subject and (v) for quality, business analysis, training and related purposes to improve the Controller and Processors relationship with the Shareholders in general. Such recordings will be processed in accordance with Data Protection Law and shall not be released to third parties, except in cases where the Controller and/or Processors are compelled or entitled by laws or regulations applicable to them or court order to do so. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Processors.

Controller and Processors will collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) as a result of the subscription or request for subscription of the Shareholders to invest in the Fund where

necessary to perform the Investment Services or to take steps at the request of the Shareholders prior to such subscription, including as a result of the holding of Shares in general and/or; (ii) where necessary to comply with a legal or regulatory obligation of the Controller or Processors and/or; (iii) where necessary for the performance of a task carried out in the public interest and/or; (iv) where necessary for the purposes of the legitimate interests pursued by Controller or and by the Processors, which mainly consist in the performance of the investment and administrative services, including where the subscription agreement is not entered into directly by the Shareholders or, or, in complying with the Compliance Obligations and/or any order of a foreign court, government, supervisory, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding Shares directly or indirectly in the Fund.

Personal Data will only be disclosed to and/or transferred to and/or otherwise accessed by the Processors, and/or any target entities, sub-funds and/or other funds and/or their related entities (including without limitation their respective general partner and/or management company and/or central administration / investment manager / service providers) in or through which the Fund intends to invest, as well as any court, governmental, supervisory or regulatory bodies, including tax authorities in Luxembourg or in various jurisdictions, in particular those jurisdictions where (i) the Fund is or is seeking to be registered for public or limited offering of its Shares, (ii) the Shareholders are resident, domiciled or citizens or (iii) the Fund is, or is seeking to, be registered, licensed or otherwise authorised to invest for carrying out the Purposes and to comply with the Compliance Obligations (i.e. the “**Authorised Recipients**”). The Authorised Recipients may act as processor on behalf of Controller or, in certain circumstances, as controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with laws and regulations applicable to them and/or order of court, government, supervisory or regulatory body, including tax authority.

Controller undertakes not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Shareholders from time to time or if required by applicable laws and regulations applicable to it or, by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By investing in Shares in the Fund, the Shareholders acknowledge and accept that Personal Data of Data Subjects may be processed for the Purposes and Compliance Obligations described above and in particular, that the transfer and disclosure of such Personal Data may take place to the Authorised Recipients, including the Processors, which may be located outside of the European Union, in countries which are not subject to an adequacy decision of the European Commission and which legislation does not ensure an adequate level of protection ensure an adequate level of protection as regards the processing of personal data. Controller will only transfer Personal Data of Data Subjects for performing the Purposes or for complying with the Compliance Obligations.

Controllers will transfer Personal Data of the Data Subjects to the Authorised Recipients located outside of the European Union (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) in the event it is required by any judgment of a court or tribunal or any decision of an administrative authority, Personal Data of Data Subjects will be transferred on the basis of an international agreement entered into between the European Union or a concerned member state and other jurisdictions worldwide or, (iii) where necessary for

the Processors to perform their services rendered in connection with the Purposes which are in the interest of the Data Subjects or, (iv) where necessary for the establishment, exercise or defence of legal claims or, or, (v) where necessary for the purposes of compelling legitimate interests pursued by the Controller, to the extent permitted by Data Protection Law or (vi) where specifically agreed on between the Data Controller and/or Data Processor and/or Data Subject.

Insofar as Personal Data provided by the Shareholders include Personal Data concerning other Data Subjects, the Shareholders represent that they have authority to provide such Personal Data of other Data Subjects to the Controller[s]. If the Shareholders are not natural persons, they must undertake to (i) inform any such other Data Subject about the processing of their Personal Data and their related rights as described under this Issuing Document, in accordance with the information requirements under the Data Protection Law and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data of other Data Subjects as described under this Issuing Document in accordance with the requirement of Data Protection Law.

Answering questions and requests with respect to the Data Subjects' identification and Shares held in the Fund, FATCA and/or CRS is mandatory. The Board of Directors / the Administrative Agent reserves the right to reject any application for Shares if the prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. The Shareholders acknowledge and accept that failure to provide relevant Personal Data requested by the Board of Directors, the Administrative Agent in the course of their relationship with the Fund may prevent them from acquiring or maintaining their Shares in the Fund and may be reported by the Board Of Directors, the Administrative Agent to the relevant Luxembourg authorities. In addition, failure to provide the requested Personal Data could lead to penalties which may affect the value of the Shareholders' Shares.

The Shareholders acknowledge and accept that the Board of Directors / the Administrative Agent will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in FATCA and CRS, at OECD and European levels or equivalent Luxembourg legislation.

Each Data Subject may request, in the manner and subject to the limitations prescribed in accordance with Data Protection Law, (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller and, (iv) to obtain a copy of, or access to, the appropriate or suitable safeguards, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism, which have been implemented for transferring the Personal Data outside of the European Union, . In particular, Data Subjects may at any time object, on request, to the processing of Personal Data concerning them for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controller or Processors. Each Data Subject should address such requests to the Fund via post mail or via e-mail.

The Shareholders are entitled to address any claim relating to the processing of their Personal Data carried out by Controller in relation with the performance of the Purposes or compliance with the Compliance Obligations to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

The Controller and Processors processing Personal Data on behalf of the Controller will accept no liability with respect to any unauthorised third-party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of the Controller or such Processors.

Personal Data of Data Subjects is held until Shareholders cease to have Shares in the Fund and a subsequent period of 10 years thereafter where necessary to comply with laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by laws and regulations applicable to them. In any case, Personal Data of Data Subjects will not be held for longer than necessary with regard to the Purposes and Compliance Obligations contemplated in this Issuing Document, subject always to applicable legal minimum retention periods.

## **ARISTEA SICAV**

Société d'investissement à capital variable

Registered office:

19-21, route d'Arlon,

L-8009 Strassen

Grand-Duchy of Luxembourg

R.C.S. Luxembourg B 193.297

### **Board of Directors**

#### **Chairman & Director**

Lorenzo Bombarda

Banor SAM

“le Victoria” - Bloc F - 5<sup>e</sup> étage

13, Boulevard Princesse Charlotte

98000 Monaco

#### **Directors**

Giacomo Mergoni

Banor Capital Ltd

108-110 Jermyn Street

London SW1Y 6EE, UK

Margherita Balerna Bommartini

Swiss Subsidiary CEO

Link Fund Solutions (Switzerland) SA

Via Luciano Zuccoli no. 19

CH-6900 Paradiso – Lugano

#### **Management Company**

Link Fund Solutions (Luxembourg) S.A.

19-21, route d'Arlon

L-8009 Strassen

Grand Duchy of Luxembourg

#### **Board of Directors of the Management Company**

**Jean-Luc Neyens** – Link Fund Solutions (Luxembourg) S.A., Luxembourg – Managing Director

**Gordon Shaw** – Link Alternative Fund Administrators (Limited) – Managing Director

**Gordon Thomson** - Link Fund Solutions Limited - Head of Operational Oversight

**Pierre Goes** – Link Fund Solutions (Luxembourg) S.A., Luxembourg – Conducting Officer



**Conducting officers of the Management Company**

- **Jean-Luc Neyens**
- **Pierre Goes**
- **Céline Gutter**
- **Christophe Chanudet**

**Depositary**

BNP Paribas, Luxembourg Branch 60, avenue J-F Kennedy,  
L-1855 Luxembourg

**Administration Agent, Registrar and Transfer Agent**

BNP Paribas, Luxembourg Branch 60, avenue J-F Kennedy,  
L-1855 Luxembourg

**Investment Manager(s)**

Please refer to the Section headed “*Sub-Funds Details*”

**Investment Advisor(s)**

Please refer to the Section headed “*Sub-Funds Details*”

**Auditors**

Deloitte Audit S.à.r.L.,  
20 Boulevard de Kockelscheuer  
L-1821 Luxembourg

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## I. GLOSSARY

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The following are definitions and a summary of the terms of the Prospectus. This summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

**2010 Law** The Luxembourg law of 17<sup>th</sup> December 2010 on undertakings for collective investment, as amended.

**Accounting Currency** The currency of consolidation of the Fund. The consolidated financial statements of the Fund are expressed in EUR.

**AML/CFT Laws and Regulations** International rules and applicable Luxembourg laws and regulations, such as the law dated 12 November 2004 on the fight against money laundering and terrorist financing, as amended from time to time, the Grand Ducal Regulation of 1 February 2010, the Grand Ducal Regulation of 29 October 2010, the CSSF Regulation No 12-02 and all the implementing measures, regulations and circulars issued in particular by the EU or by the CSSF made thereunder (as may be amended or supplemented from time to time) and/or any other anti-money laundering, counter terrorist financing and counter financing of proliferation of weapons of mass destruction laws or regulations which may be applicable.

**Articles of Incorporation** The Articles of Incorporation of the Fund.

**Asset-Backed Securities (ABS) & Mortgage-Backed Securities (MBS)** ABS and MBS are generic terms generally used to describe the securities resulting from the securitisation mechanism. Depending on the nature of the underlying asset and with no restrictions on its nature, these may include securities backed by equipment assets (aircraft, ships, etc.) (EETC, Enhanced Equipment Trust Certificates), by loans associated with residential (RMBS, Residential Mortgage-Backed Securities) or commercial (CMBS, Commercial Mortgage-Backed Securities) property, loans or bonds issued by financial or manufacturing companies, debt portfolios, bank loans (CLO, Collateralised Loan Obligations), consumer loans, business or miscellaneous assets, and Credit Linked Notes (CLN) pool loans that are packaged and sold as securities. The types of loans include notably credit card receivables, auto loans, home equity loans, student loans. Unless otherwise specified in the “Sub-Funds Details”, the Sub-Fund will invest in ABS/MBS with a minimum rating “A” by Standard & Poor, “A2” by Moody’s, or Fitch equivalent.

**Bank Business Day** Unless otherwise stated in the dedicated section headed “Sub-Funds Details”, a full bank business day in Luxembourg.

**BMR** Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of

investment funds Regulation (EU) and amending Directives 2008/48/EC and 2014/17/EU and Regulation No 596/2014.

<b><i>Board of Directors</i></b>	The Board of Directors of the Fund.
<b><i>Categories</i></b>	Each Class of Shares may be further sub-divided into two Categories of Shares, being Distribution shares and Capitalisation shares, as further described under Section Distribution policy.
<b><i>Classes</i></b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereafter referred to as "Class" or "Classes") whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.
<b><i>Cocos</i></b>	<p>Contingent convertible capital instruments (CoCos) are hybrid capital securities because they have the following characteristics of bonds:</p> <ul style="list-style-type: none"><li>a. they are subordinated debt instruments;</li><li>b. payment of interest may be suspended in a discretionary manner or depending on an external target set in the issuance contract;</li></ul> <p>And the following characteristics of shares, because these are convertible hybrid instruments:</p> <ul style="list-style-type: none"><li>a. conversion can take a variety of forms (especially into shares);</li><li>b. the trigger factor of the conversion is set with the aim of protecting the banks' capital.</li></ul> <p>CoCos absorb losses when the capital of the issuing bank falls below a certain level. CoCos have two main defining characteristics: the loss absorption mechanism and the trigger that activates that mechanism (contractual trigger and /or at the point of non-viability: essentially a write-down or equity conversion based on regulatory discretion).</p>
<b><i>Conversion of Shares</i></b>	Unless specifically indicated to the contrary for any Sub-Fund, Shareholders may at any time request conversion of their shares into shares of another existing Sub-Fund. Shares are issued and cancelled on the same day on the basis of the applicable net asset values of the shares of both Sub-Funds.
<b><i>Currency Hedged Share Class</i></b>	A Share Class denominated in a different currency than the Reference Currency of the relevant Sub-Fund for which the Fund/the Investment Manager utilises currency risk hedging arrangements in order to systematically limit investor's currency risk by reducing the effect of the exchange rate fluctuations between the Reference Currency and the currency to which the investor wishes to be exposed, in compliance with ESMA Opinion 34-43-296 dated 30 <sup>th</sup> January 2017. The Investment Manager will ensure to hedge such risk between 95-105 % of the value

of each Currency Hedged Share Class.

<b><i>CSSF</i></b>	<i>Commission de Surveillance du Secteur Financier</i> – The Luxembourg Supervisory Authority.
<b><i>Depositary</i></b>	BNP Paribas, Luxembourg Branch 60, avenue J-F Kennedy, L-1855 Luxembourg.
<b><i>Cut-off Time</i></b>	Means a specified time before which applications for subscription, redemption, or conversion of shares of any Sub-Fund must be received by the Administration Agent, Registrar and Transfer Agent in relation to a Valuation Date, as further described in <i>Appendix I – Sub-Funds Features</i> . For the sake of clarity, the Cut-off Time is stated in the Luxembourg time zone.
<b><i>Directive</i></b>	The Directive 2009/65/EC of 13 <sup>th</sup> July 2009 as amended by the Directive 2014/91/EC of the European Parliament and of the Council of 23 July 2014.
<b><i>Distributors</i></b>	Means any persons/entities appointed from time to time by the Management Company for the purpose of assisting with the distribution of the Shares of the Sub-Funds as further described in section “Sub-Funds Details”.
<b><i>Distribution Fee</i></b>	Means the fees paid by the Fund to the Management Company in respect of each Sub-Fund and covering the marketing expenses related to the Sub-Funds, as further disclosed in section “Sub-Funds Details”.
<b><i>Eligible Market</i></b>	A Regulated Market in an Eligible State.
<b><i>Eligible State</i></b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania.
<b><i>Exchange Traded Funds (ETFs)</i></b>	Exchange traded products that are structured and regulated as mutual funds or collective investment schemes. Most ETFs are UCITS compliant collective investment schemes. UCITS are not allowed to invest in physical commodities but they are able to use synthetic index replication to obtain exposure to broad commodity indices that satisfy the relevant diversification requirements. United States ETFs (open-ended US ETFs subject to the Investment Company Act of 1940 which qualify as a "Diversified Fund") are qualified as other UCIs in the meaning of the 2010 Law provided they meet all the requirements set forth in article 41(1) e) of the 2010 Law, including the requirement that the rules on assets segregation, borrowing, lending and uncovered sales are equivalent to the UCITS requirements (such requirements should be considered satisfied after an appropriate eligibility analysis enabling to conclude that the US ETF actually complies in all material respects with the UCITS restrictions, or by means of a written confirmation of the US

ETF or its manager).

***Exchange Traded  
Commodities (ETCs)***

ETCs are traded and settled like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC may be physically backed by the underlying commodity (e.g. precious metals) – but in any case no physical delivery should be considered - or uses fully collateralized swaps or futures to synthetically replicate the index return, The Fund will only invest in ETCs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2. of the Grand-ducal Regulation of 8 February 2008 and the article 17 of the CESR / 07-044b. Furthermore when ETCs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8 February 2008.

***Exchange Traded Notes  
(ETNs)***

ETNs are quite similar to ETCs, they are generally senior, unsecured, unsubordinated debt issued by a single bank and listed. There are two types of ETNs: collateralised and uncollateralised notes. Collateralised ETNs are hedged partly or fully against counterparty risk whereas uncollateralised ETNs are fully exposed to counterparty risk, which means that an investor in an ETN will be fully exposed to issuer credit risk. The Fund will only invest in ETNs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2. of the Grand-ducal Regulation of 8 February 2008 and the article 17 of the CESR / 07-044b. Furthermore when ETNs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8 February 2008.

***EMIR***

EU Regulation No 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as European Market Infrastructure Regulation.

***ESG***

Means respectively Environmental, Social and Governance and refers to three groups of indicators used to screen the level of sustainability and societal impact of an investment decision.

***EU***

The European Union.

***FATCA***

Means the Foreign Account Tax Compliance Act such as enacted and adopted by the United States of America on March 18, 2010, requiring US individuals to report their financial accounts held outside of the United States and foreign financial institutions to report to the Internal Revenue Service, or the tax authority in their jurisdiction of domicile, information about their US clients.

***FATF***

Financial Action Task Force (also referred to as Groupe d'Action Financière).

***Feeder UCITS***

A UCITS, or an investment compartment thereof, which has been

approved to invest, by way of derogation from Articles 41, 43, 46 and 48 paragraph (2), third indent of the 2010 Law, at least 85% of its assets in shares of another UCITS or an investment compartment thereof.

<b><i>Fund</i></b>	The Fund is an investment company organised under Luxembourg law as a société anonyme qualifying as a Société d'Investissement à Capital Variable ("SICAV"), comprising of several Sub-Funds.
<b><i>GIIN</i></b>	Global Intermediary Identification Number(s)
<b><i>Hard Currencies</i></b>	Means the US Dollar, Euro, Japanese Yen, British Pound Sterling, Canadian Dollar, Australian Dollar, New Zealand Dollar, Swiss Franc.
<b><i>Local Currencies</i></b>	Means any other currencies than the ones defined as Hard Currencies
<b><i>Issue of Shares</i></b>	Shares will be issued at the Offering Price per Share of each Sub-Fund being the net asset value per Share of such Sub-Fund determined on the applicable Valuation Date plus any applicable dealing charge.
<b><i>Initial Offering Period</i></b>	Means the period determined by the Board of Directors during which any Class of Shares in a relevant Sub-Fund may be offered for subscription, as further detailed under section headed "Sub-Funds Details".
<b><i>Institutional Investors</i></b>	Any investors, within the meaning of Article 174 of the 2010 Law as this concept is interpreted by the CSSF from time to time, such as legal entities, including, but not limited to, insurance companies, pension funds, credit establishments and other professionals in the financial sector investing either on their own behalf or on behalf of their clients who are also investors within the meaning of this definition or under discretionary management, Luxembourg and foreign collective investment schemes and qualified holding companies.
<b><i>Investment Advisor</i></b>	Means any investment advisor appointed by the Fund and the Investment Manager to provide investment advice to one or more Sub-Funds.
<b><i>Investment Advisory Fee</i></b>	Means the investment advisory fees paid by the Fund to the Investment Advisor(s) in respect of the relevant Sub-Fund, as further disclosed under section headed "Sub-Funds Details".
<b><i>Investment Management Fee</i></b>	Means the investment management fees paid by the Fund to the Investment Manager(s) in respect of the relevant Sub-Fund, as further disclosed under section headed "Sub-Funds Details".
<b><i>Investment Manager</i></b>	Means any investment manager appointed by the Fund and Management Company, as the case may be, to provide portfolio management services to one or more Sub-Funds.

<b><i>Listing</i></b>	Shares of all Sub-Funds may be listed on the Luxembourg Stock Exchange.
<b><i>Management Company</i></b>	Link Fund Solutions (Luxembourg) S.A. has been appointed as the management company of the Fund (the “Management Company”) to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.
<b><i>Management Company Fee</i></b>	The fees paid by the Fund to the Management Company for the latter’s management services to all the Sub-Funds and as further disclosed under section headed “Sub-Funds Details”.
<b><i>Master UCITS</i></b>	A UCITS, or investment compartment thereof, in which a Feeder UCITS invests according to the provisions of the 2010 Law.
<b><i>Member State</i></b>	A member state of the European Union.
<b><i>Net Asset Value or NAV</i></b>	In relation to any share class of any Sub-fund, the value per Share determined in accordance with the relevant provisions described under the heading “Determination of the net asset value of Shares” of this Prospectus.
<b><i>Platform Provider Fee</i></b>	Means a fee that may be levied to pay fees out of the assets of the relevant Sub-fund to platform or service providers in relation to early stage structuring, launch, and/or running of the relevant Sub-fund which are set out in the relevant section headed “Sub-Funds Details”.
<b><i>Redemption of Shares</i></b>	Shareholders may at any time request redemption of their Shares, at a price equal to the Net Asset Value per Share of the Sub-Fund concerned, determined on the applicable Valuation Date less any redemption fee as disclosed in section headed “Sub-Funds Details” to this Prospectus for a specific Sub-Fund.
<b><i>Reference Currency</i></b>	The currency in which the Net Asset Value of each Sub-Fund is denominated, as specified for each Sub-Fund in the relevant section.
<b><i>Regulated Market</i></b>	A market within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.
<b><i>Settlement Date</i></b>	The Bank Business Day on which the subscription price or redemption proceeds, as applicable, are fully paid, as specified in <i>Appendix I – Sub-Funds Features</i> .
<b><i>SFDR</i></b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the



financial services sector.

<b><i>SFTR</i></b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b><i>SFTs</i></b>	Securities Financing Transactions, such as lending or borrowing of securities or commodities, repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions.
<b><i>Shares</i></b>	Shares of each Sub-Fund are offered in registered form only and all Shares must be fully paid up. Fractions of Shares will be issued up to 4 decimals.
<b><i>Shareholder</i></b>	Any investor having subscribed Shares of the Fund.
<b><i>Structured Products</i></b>	<p>Structured Financial Instruments are transferable securities organized solely with a view to restructuring the investment characteristics of certain other investments (underlying investment) and are issued by first-class financial institutions; the term “Structured Products” also includes ETCs. These institutions issue transferable securities that are backed up by or linked to the interests of the underlying investment.</p> <p>The underlying investments must be in line with the investment objective and policy of the relevant Sub-Fund as further detailed under section <i>Sub-Fund Details</i> and must be taken into account when determining the investment limits set out in Section headed “<i>Investment Policies and Restrictions</i>” of this prospectus.</p>
<b><i>Sub-Funds</i></b>	Means a separate portfolio of assets established for one or more categories of shares which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund are described in the section “Sub-Funds Details” to this prospectus. The Board of Directors may, at any time, decide the creation of further Sub-Funds and in such case, this prospectus will be updated. Each Sub-Fund may have one or more Classes of Shares.
<b><i>Target Funds</i></b>	Eligible units/shares of UCITS, UCIs and/or ETFs as defined in the Section headed “ <i>Investment policies and restrictions</i> ” paragraph 3. I (1) c) of the prospectus, which follow the diversification rules as disclosed in the Section headed “ <i>Investment policies and restrictions</i> ” paragraph 3. VI a) of the prospectus, and as per the meaning of and pursuant to limits set by articles 41 (1) e) and 46 of the 2010 Law.
<b><i>Taxonomy Regulation</i></b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as amended from time-to-time.

<b>UCI</b>	Undertaking for Collective Investment.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities.
<b>Valuation Date</b>	<p>The Valuation Date is the Bank Business Day on which the net asset value (NAV) is dated.</p> <p>The NAV is calculated as of the first Bank Business Day following the Valuation Date. The prices used are those of the Valuation Date.</p> <p><i>The Valuation Date might be any day on which banks in Luxembourg are normally open for business, unless otherwise defined in the Section Sub-Fund details and in Appendix I – Sub-Funds features to this Prospectus for a specific Sub-Fund.</i></p> <p><i>The Board of Directors may in its absolute discretion amend the frequency of the Valuation Date for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and the Section Sub-Funds details as well as the Appendix I – Sub-Funds features to this Prospectus will be updated accordingly.</i></p>

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## II. THE FUND

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ARISTEA SICAV is an open-ended collective investment company ("Société d'Investissement à Capital Variable") established under the laws of the Grand-Duchy of Luxembourg, with an "umbrella" structure comprising different Sub-Funds. In accordance with the 2010 Law, a subscription of Shares constitutes acceptance of all terms and provisions of the Articles of Incorporation. Within each Sub-Fund, the investor may select either the distribution of a dividend or the capitalisation of income by choosing between the distribution Shares and the capitalisation Shares. Details on each Sub-Fund are disclosed in the Section Sub-Funds details and in Appendix I – Sub-Funds features to this Prospectus.

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### III. MANAGEMENT AND ADMINISTRATION

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#### 1. Board of Directors

The Directors of the Fund are responsible for its management and supervision including the determination of investment policies. They will review the operations of the Fund.

#### 2. Management Company

The Fund is managed by Link Fund Solutions (Luxembourg) S.A., which is subject to the provisions of Chapter 15 of the UCI Law and CSSF Circular 18/698 of the CSSF. The Management Company is also authorized and licensed as alternative investment fund manager with the CSSF in accordance with the applicable law.

The Management Company was incorporated on 6 August 2018 as a *société anonyme* under Luxembourg law for an indeterminate period and is registered with the Luxembourg Trade Register under number B 226 846. The Articles of Incorporation have been published in the RESA on 14 September 2018.

The Management Company has a fully paid-up share capital of EUR 11,425,000.

The Management Company shall have the exclusive authority with regard to any decisions in respect of the Fund or any Sub-Funds and provides investment management, administration and marketing services to the Fund. The Management Company will manage the assets of the Fund or any Sub-Fund in compliance with the Articles of Incorporation for the sole benefit of the shareholders. The Management Company may delegate certain functions to third parties in accordance with applicable laws.

In compliance with the provisions of chapter 15 of the UCI Law and CSSF Circular 18/698, the effective conduct of the business of the Management Company has been granted to at least two (2) day-to-day managers.

Furthermore, the Management Company may appoint Investment Managers for the Sub-Funds as further disclosed in section “Sub-Funds Details”.

The Management Company has established and applies a remuneration policy (the “**Remuneration Policy**”) and practices that are consistent with, and promote, sound and effective risk management and that never encourage risk taking which is inconsistent with the risk profiles, rules or articles of incorporation of the funds it manages.

The Remuneration Policy sets out the legal and regulatory requirements, as well as the related actions, which the Management Company has to comply with in order to meet its obligations, in the area of remuneration as a Management Company authorised under Chapter 15 of the Law of the 2010 Law and as an alternative investment fund manager (“**AIFM**”) authorised under the law of 12 July 2013 relating to alternative investment fund managers, as amended (the “**AIFM Law**”).

The Remuneration Policy integrates the provisions of the European directives and regulations and laws related to remuneration and corporate governance, the ESMA Guidelines 2013/232 of 3 July 2013 on sound remuneration policies under the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (the “AIFMD”), the ESMA final report 2016/411 of 31 March 2016 on the guidelines on sound remuneration policies (the “ESMA Final Report”) under the UCITS Directive and AIFMD.

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the funds managed by the Management Company.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the funds managed by the Management Company and their shareholders and includes measures to avoid conflicts of interest.

With regard to the service providers appointed under the Management Company delegation and as applicable, the Management Company only delegates its portfolio management function to delegates:

- subject to regulatory requirements on remuneration that are equally as effective as those under the AIFM Law and the 2010 Law; or
- for which appropriate contractual arrangements are enforced in order to ensure that there is no circumvention of the remuneration rules with respect to payments to identified staff within the delegate. Compliance with regulatory requirements will be assessed by the Management Company through its oversight function.

The assessment of performance is set in a multi-year framework in order to ensure that the focus is set on the longer-term performance of the Management Company and its investment risks.

Assessed criteria are both quantitative and qualitative to ensure that any risk-taking activities or behaviour is not fostered.

The fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Compensation of the staff engaged in control functions is made in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control.

The Remuneration Policy is available on the website of the Management Company at <https://www.linkfundsolutions.lu/policies/>, and a paper copy will be made available free of charge upon request.

The Management Company shall be entitled to receive a Management Company Fee calculated and payable as disclosed in section “Sub-Funds Details”.

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

The Management Company may from time-to-time act as management company or investment manager to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund.

The Board of Directors and/or the Management Company will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund and its Shareholders.

The Fund may also invest in other investment funds which are managed by the Management Company and/or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

### **3. Investment Managers**

The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of the Sub-Funds to one or several Investments Managers, subject to the prior approval of the Luxembourg Supervisory Authority and disclosure in the relevant section headed “*Sub-Funds Details*” to this Prospectus.

The Investment Manager(s) are required to adhere strictly to the guidelines laid down by Board of Directors and the Management Company in the section headed “*Sub-Funds Details*” and Appendices to this Prospectus. In particular, the Investment Managers are required to ensure that the assets of the Sub-Funds are invested in a manner consistent with the Fund's and the Sub-Fund's investment restrictions and that the raised capital belonging to each Sub-Fund is invested in accordance with the guidelines laid down by the Board of Directors and the Management Company in section headed “*Sub-Funds Details*” and Appendices to this Prospectus.

Each Investment Manager will be entitled to receive an Investment Management Fee and a performance fee calculated and payable as disclosed in section “*Sub-Funds Details*”.

### **4. Investment Advisors**

The Fund together with the Investment Manager may appoint Investment Advisors to provide advisory services to one or several Sub-Fund(s).

The Investment Advisor(s) shall regularly assist the Investment Manager by giving advice and recommendations regarding the selection of securities and other permitted assets to be acquired by the Fund in line with the investment policy of the relevant Sub-Fund.

The Investment Advisor(s) shall act in a purely advisory capacity. The Investment Manager shall not be bound by any advice or recommendations provided by such Investment Advisor(s) and shall assume sole

responsibility for all decisions taken acting on such advice and recommendations in the management of the Fund's assets.

Each of the appointed Investment Advisor may seek advice, at its own expense, for the investment of the Fund's assets, from any person or corporation which it may consider appropriate.

Each Investment Advisor may be entitled to receive an Investment Advisory Fee calculated and payable as disclosed in section "Sub-Funds Details".

## **5. Distributors and Nominees**

The Management Company will be in charge of the distribution of the shares of the Sub-Funds and may appoint one or more Distributors, for the purposes of assisting in distributing the shares of Sub-Funds.

Certain Distributors may not offer all of the Sub-Funds/classes of Shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

Investors can subscribe Shares in a Sub-Fund directly from the Fund. Investors may also purchase Shares in a Sub-Fund by using the nominee services offered by the Distributors or by the local paying agents. A Distributor or a local paying agent then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or local paying agent then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and local paying agents that offer nominee services are either seated in countries that have ratified the resolutions adopted by the FATF or Groupe d'action financière internationale ("GAFI") or execute transactions through a correspondent bank seated in a FATF country. Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or Local Paying Agent offering the nominee-service.

***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 of the Fund. 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.***

A list of the Distributors and Nominee shall be at disposal at the Fund registered office.

Any Investor shall self-certify its FATCA status to the Fund (or its delegates) via the forms prescribed by the FATCA regulations in force in the relevant jurisdiction (e.g. through the W8, W9 or equivalent filling forms) to be renewed regularly or provide the Fund (or its delegates) with their GIIN numbers if the Investors are FFIs. The Investors shall inform the Fund (or its delegates) of a change of circumstances in their FATCA status immediately in writing in order to ensure correct reporting.

It is the responsibility of the Nominee to identify its clients for FATCA purposes.

The Investors/Distributors that either have not properly documented their FATCA status as requested or have refused to disclose such a FATCA status within tax legally prescribed timeframe may be classified as “recalcitrant” and be subject to a reporting towards tax or governmental authorities and may suffer potential withholding tax.

If you have any doubt on the possible implications of FATCA on the Fund or yourself, you should seek independent professional advice. You are strongly recommended to seek independent advice from your own qualified U.S. tax advisor if you have queries related to FATCA or if you wish to know more about FATCA and its effect on you.

The Management Company will receive a Distribution Fee which then be retroceded by the Management Company to the relevant Distributor, as disclosed in section “Sub-Funds Details”.

## **6. Depositary**

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a Société Anonyme (public limited company) registered with the Registre du commerce et des sociétés Paris (Trade and Companies’ Register) under number No. 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B23968 and supervised by the CSSF. BNP Paribas, Luxembourg Branch has been appointed Depositary of the Fund under the terms of a written agreement between BNP Paribas, Luxembourg Branch, the Management Company, and the Fund (the “**Depositary**”). The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the law of December 17, 2010), (ii) the monitoring of the cash flows of the Fund (as set out in Art 34(2) of the law of December 17, 2010) and (iii) the safekeeping of the Fund’s assets (as set out in Art 34(3) of the law of December 17, 2010).

Under its oversight duties, the Depositary is required to:

1. ensure that the sale, issue, repurchase, redemption and cancellation of the Shares effected on behalf of the Fund are carried out in accordance with the law of December 17, 2010 or with the Fund’s Articles of Incorporation;
2. ensure that the value of the Shares is calculated in accordance with the law of December 17, 2010 and the Fund’s Articles of Incorporation;
3. carry out the instructions of the Fund, unless they conflict with the law of December 17, 2010 or the Fund’s Articles of Incorporation;
4. ensure that in transactions involving the Fund’s assets, the consideration is remitted to the Fund within the usual time limits;
5. ensure that the Fund’s revenues are allocated in accordance with the law of December 17, 2010 and its Articles of Incorporation.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Fund, which always prevail over any commercial interests.



Conflicts of interest may arise if and when the Management Company or the Fund maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back-office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas or its affiliates act as agent of the Fund or the Management Company, or
- Selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of the Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members; o Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - o Implementing a deontological policy;
  - o recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Fund's interests; or
  - o setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safekeeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements,

supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website:  
<https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-lux-liste-delegataires-sous-delegataires.pdf>

<https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-list-of-delegates-sub-delegates-en.pdf>

Such list may be updated from time to time.

Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. More pertinently, entities located in France, Belgium, Spain, Portugal, Poland, USA, Canada, Singapore, Jersey, United Kingdom, Luxembourg, Germany, Ireland and India are involved in the support of internal organisation, banking services, central administration and transfer agency service. Further information on BNP Paribas, Luxembourg Branch international operating model may be provided upon request by the Fund and/or the Management Company.

The Fund may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Fund. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months.

In consideration of the services provided, the Depositary will receive a depositary fee out of the assets of the Fund as specified in the Section *Sub-Funds Details* to the Prospectus (the "**Depositary Fee**").

## **7. Listing Agent**

The Management Company has been appointed as listing agent of the Fund.

## **8. Registrar and Transfer and Administration Agent**

The Management Company has appointed BNP Paribas, Luxembourg Branch, as Registrar and Transfer and Administration Agent to be responsible for the central administration of the Fund and in particular for the processing of the issue, redemption and conversion of Shares, the determination of the net asset value of the Shares in each Sub-Fund and for the maintenance of accounting records.

BNP Paribas, Luxembourg Branch is empowered to delegate, under its full responsibility, all or part of its duties as Administrative Agent to a third entity with prior notice to Fund and the Management Company.

In consideration of the services provided, the Administrative Agent will receive from the Fund an administrative agent fee, as further described in Section headed “*Sub-Funds Details*” (the “**Administrative Agent Fee**”).

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## IV. INVESTMENT POLICIES AND RESTRICTIONS

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### ***1. General Investment Policies for all Sub-Funds (unless incompatible with the specific investment policy disclosed in the Section Sub-Funds Details and Appendices to this Prospectus)***

The Fund's investment objective is long-term capital appreciation which it will seek to achieve by investing in transferable securities, debt obligations and money market instruments admitted to or dealt in on a regulated market in an Eligible Market, whether denominated in Euro or in any international currencies. The Fund has also the investment objective to maximise the investment return by investing in a portfolio of fixed and floating income securities and asset backed transferable debt obligations of public, mixed or private entities and corporations. There can be no assurance that the Fund's investment objectives will be achieved.

### ***2. Environmental, Social and Governance factors***

The Investment Manager(s) may incorporate consideration of ESG factors into its investment process, as further detailed in the Section "Sub-Funds Details" and in compliance with the investment policy/objective of each Sub-Fund.

Sustainable investing encompasses several strategies/methods in order to identify and select companies that have a strong sustainability profile, such as:

- i. **Screening:** Screening consists of completely excluding some spheres of business considered not to be ethical (arms industry, tobacco, gambling) or environmentally friendly from asset allocation. This is a 'passive' approach that is easy to implement but does not examine the differences between individual businesses;
- ii. **ESG integration:** During the security selection phase, ESG integration consists of actively giving individual companies an ESG rating based on a number of parameters that can be observed or estimated. These factors are then considered alongside the traditional economic and financial ones adopted by analysts. This approach clearly requires the collection and analysis of large amounts of data, and therefore a significant investment in terms of time and expertise;
- iii. **Best-in-class:** This consists of selecting, from all possible business sectors, the best-performing enterprises with respect to ESG criteria;
- iv. **Focalization:** In this case, analysts decide to focus their attention on a single investment issue, which might be eco-efficiency, sourcing, governance, or the treatment of workers / or labour exploitation.
- v. **Engagement:** Market awareness of ESG issues has led institutional investors to become increasingly active in this sphere. This is the case not just during their initial analysis of investment opportunities but also afterwards, through actions of moral suasion, or even open criticism, in the appropriate fora, such as shareholders' meetings. Their aim is to convince the businesses receiving the financing to make improvements.

Adopting a sustainable approach and considering ESG factors as a component of the security selection enables to (i) assess investment opportunities more efficiently (ii) make decision that are in the long-term

interest of the investors.

For specific information about the environmental or social characteristics of the relevant Sub-Fund(s) or additional details on which ESG factors are integrated in investment decisions made in respect of each specific investment strategy or objective, and the likely impacts of sustainability risks on the returns of relevant Sub-Fund(s), please refer to Appendix III headed “Sub-Funds SFDR and taxonomy disclosures” and the section “Sub-Funds Details” of this Prospectus.

In addition, each Investment Manager may have developed due diligence policies to identify and prioritise relevant adverse impacts and indicators on sustainability factors. The degree and way the principal adverse impacts are considered in the investment process depends on various factors, such as on the type of sub-fund or strategy, asset class, and availability of reliable data. If applicable, a statement on those impacts is accessible at the Investment Manager’s website as disclosed Appendix III headed “Sub-Funds SFDR and taxonomy disclosures” of this Prospectus.

### ***3. Specific Investment Policies for each Sub-Fund***

The specific investment policy of each Sub-Fund is described in the Section Sub-Funds Details and Appendices to this Prospectus.

The historical performance of the Sub-Funds will be published in the Key investor information document for each Sub-Fund. Past performance is not necessarily indicative of future results.

### ***4. Investment and Borrowing Restrictions***

The Articles of Incorporation provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the Section Sub-Funds details to this Prospectus, to the investments of each of the Sub-Funds:

- I. (1) The Fund, for each Sub-Fund, may invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC or dealt in on another market which operates regularly and is recognised and open to the public in a Member State of the European Union (“EU”) or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania (an “Eligible Market”);
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other undertakings for collective investment (“other UCIs”) within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State, provided

that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union 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 such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, in aggregate be invested in units of other UCITS or other UCIs;
- d) each Sub-Fund may, pursuant to their investment policies described in section *Sub-Funds Details* to this prospectus, subscribe, acquire, and/or hold securities to be issued or issued by another Sub-Fund of the Fund (the “Target Sub-Fund”) provided that:
- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund;
  - no more than 10% of the assets of the Target Sub-Funds whose acquisition is contemplated may be invested in shares of other Target Sub-Funds of the Fund;
  - voting rights, if any, attached to the relevant Shares are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
  - in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.
- e) 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 CSSF as equivalent to those laid down in European Union law;
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the

- Luxembourg supervisory authority;
  - 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;
- g) money market instruments other than those dealt in on an Eligible Market, if 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, a non Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
  - issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF State, or
  - issued by other bodies belonging to the categories approved by the Luxembourg supervisory 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 EUR 10 million 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 securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under I (1) above.

II. The Fund may hold ancillary liquid assets.

- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.
- (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.
- b) Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph a), the Fund may

not combine for each Sub-Fund, where this would lead to investment of more than 20% of the Sub-Fund's assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
  - deposits made with that body, and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by a single issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.
- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

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

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

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that the sub-fund's Shareholders benefit from sufficient protection and that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such**



### **Sub-Fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF provided that it is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("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.
- V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the units of the same UCITS or other UCI within the meaning of Article 2, paragraph (2) of the 2010 Law;
  - 10% of the money market instruments of the same issuer.
- These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.
- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.
- The provisions of this paragraph V. are also waived as regards:
- shares held by the Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country complies with the limits laid down in paragraph III. a) to e), V. a) and b) and VI.
  - shares held by one or more investment companies in the capital of subsidiary companies, which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.
- VI. a) The Fund may invest up to 100% of any of its Sub-Funds' net assets in units of UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 20% of

any one Sub-Fund's net assets are invested in the units of a single UCITS or other UCI and subject to the limits set by the 2010 Law. For the purpose of the application of this investment limit, each compartment of a UCITS and/or UCI with multiple compartments within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) Furthermore, the Fund may not, in aggregate, invest more than 30% of any of its sub-fund's net assets in units of UCIs other than UCITS.

The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. a) to e) above.

- c) When the SICAV invests in the shares / 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 SICAV investment in the shares / units of such other UCITS and/or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Fund as described in the preceding paragraph, the management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net value of the relevant Sub-Fund.

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

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. a) to e) above. When the Fund invests in index-based financial derivative instruments, these investments are not required to be combined to the limits laid down in paragraph III. a) to e).

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

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

- c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that such investment does not represent more than 10% of its assets.
- e) Where the Fund is authorised to borrow under points a) and d), that borrowing shall not exceed 15% of its assets in total.
- f) The Fund may not acquire either precious metals or certificates representing them.

- IX.
- a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. And VI. a), b) and c) for a period of six months following the date of their creation.
  - b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
  - c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. a) to e), IV. And VI.

X. Investment restrictions related to master-feeder structures

- a) By way of derogation from paragraph VI above mentioned and in accordance with the provisions of the 2010 Law, the Feeder UCITS invests 85% of its assets in shares of the Master Fund.
- b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
  - i. ancillary liquid assets in accordance with Article 41, paragraph (2), second subparagraph of the 2010 Law;
  - ii. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 paragraph (1), point g) and Article 42, paragraphs (2) and (3) of the 2010 Law;
  - iii. movable and immovable property which is essential for the direct pursuit of its business, if the feeder is an investment company.

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## V. TECHNIQUES AND INSTRUMENTS

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The Fund is authorised for each Sub-Fund, in consideration of the risks factors set out in dedicated Section headed “Risks Factors”, to use techniques and instruments on transferable securities, money market instruments, currencies and other eligible assets on the condition that any use of such techniques and instruments be carried out for the purpose of hedging and/or efficient portfolio management, altogether within the meaning of the Grand-ducal Regulation of 8<sup>th</sup> February 2008. If a sub-fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant Sub-Fund.

### I. Financial derivative instruments

Each Sub-Fund may use financial derivative instruments (“**FDI**”) such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section and the investment objective and policy of the Sub-Fund, as set out in section *Sub-Funds Details*. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Each Sub-Fund is therefore in particular authorised to carry out transactions involving FDI and other financial techniques and instruments. FDI may include the following categories of instruments:

- a) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of a certain underlying at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- b) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- c) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- d) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- e) Equity swap: an equity swap is an agreement which consist of paying out (or receiving) to (from) the swap counterparty:
  - i) a positive or negative price return of one security, a basket of securities, a stock; exchange index, a benchmark or a financial index;
  - ii) an interest rate, either floating or fixed;
  - iii) a foreign exchange rate; or

- iv) a combination of any of the above.

Against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Fund will not hold any security. The underlying asset category of the swap transactions entered into by the Fund will be indicated in the description of the investment policy of each Sub-Fund in the Section headed “*Sub-Funds Details*” to this prospectus.

The Fund may not enter into equity swap transactions unless:

- i) its counterpart is a recognized financial institution subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction;
- ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
- iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

The total commitment arising from equity swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of equity swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

- f) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- g) Credit default swaps: a credit default swap or “CDS” is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

The Fund may use CDS, where one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment

obligations when due. The *International Swaps and Derivatives Association, Inc.* (“ISDA”) have produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use CDS in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under CDS without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with CDS purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in its exclusive interest, the Fund may also sell protection under CDS in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such CDS sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will only enter into CDS with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Fund will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

- h) Total return swaps: a total return swap or “**TRS**” is an agreement, as further below described, 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. Then TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRSs is possible, it is currently not contemplated.

The Fund or any of its delegates will report the details of any TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. TRSs may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The maximum and expected proportion of assets that may be subject to TRS will be set out for each Sub-fund in the relevant section *Sub-Funds Details*. If a Sub-fund intends to make use of TRS, the relevant section *Sub-Funds Details* will include the disclosure requirements of the SFTR.

- i) Contracts for differences: a contract for differences or “**CFD**” is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

## A. OTC Financial Derivative Instruments

Each Sub-Fund may invest into FDI that are traded *over-the-counter* (“OTC”) including, without limitation, TRS or other FDI with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section of the Prospectus.

The counterparties to OTC FDI will be selected among recognized financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the annual report of the Fund.

The Management Company may use a process for accurate and independent assessment of the value of OTC FDI in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC FDI, the Sub-Fund may receive cash or other assets as collateral, as further specified in the paragraph II. C. below entitled “*Collateral management and policy for EPM Techniques*”.

## B. Financial indices and benchmark

Each Sub-Fund may use FDI to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in this section of the Prospectus and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a ‘financial index’ is an index which complies with all the criteria set forth in article 9 of the Grand-Ducal Regulation of 8 February 2008 and, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time, 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.

Following the BMR, a “**Benchmark**” means any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of a Sub-Fund / Share Class with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

The use of a Benchmark should comply with the BMR and should be disclosed in section *Sub-Funds Details*.

The BMR requires further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

In accordance with the BMR, the Management Company will maintain an index contingency plan setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Also, the BMR requires the prospectus to provide clear and prominent information stating whether the Benchmark that may be used is provided by an administrator included in the register of administrators and Benchmarks, as defined in the article 36 of the BMR (the “**Benchmark Register**”) or by administrators who benefits from the transitional period as authorized by the BMR and therefore may not appear in the Benchmark register for the time being (the “**Administrator(s)**”). EU Benchmark Administrators have until 1 January 2020 (the “**Transitional Period**”) to submit a request to be entered on the Benchmark Register.

Benchmarks may also be used by some funds for comparison purposes or as point of reference against which the performance of a fund may be measured but the funds may freely select the securities in which they invest. Given that the funds are actively managed and investment decisions are made at the discretion of the Investment Manager, the actual holdings and fund performance may differ materially from that of the benchmark(s).

In case the publication of the Benchmark has been stopped or where major changes in that Benchmark have occurred or if for some reason the Board of Directors feels that another benchmark is more appropriate, another Benchmark may be chosen. Any such change of benchmark will be reflected in an updated Prospectus.

The Benchmark Policy of the Management Company complying with Art. 28(2) of the BMR for actions to be taken in the event of material changes to, or cessation of, a benchmark, is available for the Shareholders of the Fund at the registered office of the Management Company.

## **II. Efficient portfolio management techniques**

Provided that authorized by its investment policy and strategy as further detailed under section headed “Sub-Funds details” of this Prospectus, a specific Sub-Fund may employ techniques and instruments (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and SFTR, provided that such techniques and instruments are used for the purposes of efficient portfolio management (“**EPM**”). The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

The efficient portfolio management techniques (“**EPM Techniques**”) include, without limitation, securities lending, repurchase agreements and reverse repurchase agreements as described below, which are also qualified as SFTs.

The Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions as foreseen under SFTR but only in total return swaps (TRS) as further detailed in the section “Sub-Funds Details” of this Prospectus. Should the Board of Directors of the Fund decide to use such other techniques and instruments for any specific Sub-Fund, the Board of Directors of the Fund will update the section “Sub-Funds Details” accordingly and will include related requirements of SFTR under the section “Sub-Funds details” in respect of each relevant Sub-Fund, where applicable.



In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending, repurchase or reverse repurchase transaction, the Sub-Fund will receive cash or other assets as collateral, as further specified in paragraph C below “*Collateral management and policy for EPM Techniques*”.

When investing in SFT and FDI relating to transferable securities and money market instruments, each Sub-Fund shall comply with applicable restrictions and in particular with CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, CSSF circulars 11/512 and 14/592, ESMA Guidelines 2014/937 and Section 8. below entitled “*Investment policies and restrictions*”.

The Fund's annual report should furthermore contain details of the following:

- the exposure obtained through EPM Techniques;
- the identity of the counterparty(ies) to these EPM Techniques;
- the type and amount of collateral received by the Fund to reduce counterparty exposure; and
- the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- the use of SFTs pursuant to the SFTR (if applicable) meaning: global data, concentration data, aggregate transaction data for each type of SFTs and TRS separately to be broken down as specified by the regulation (EU) 2015/2365, safekeeping of collateral received by the collective investment undertaking as part of SFTs and TRS, safekeeping of collateral granted by the collective investment undertaking as part of SFTs and TRS, data on return and cost for each type of SFTs and TRS, and data on reuse of collateral.

Reuse means the use by a receiving counterparty, in its own name and on its own account or on the account of another counterparty, including any natural person, of financial instruments received under a collateral arrangement, such use comprising transfer of title or exercise of a right of use in accordance with Article 5 of Directive 2002/47/EC on financial collateral arrangements but not including the liquidation of a financial instrument in the event of default of the providing counterparty.

The Fund's semi-annual report should also contain details of the use of SFTs pursuant to the SFTR (if applicable) as specified for the annual report.

The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using FDI and EPM Techniques and financial techniques and instruments for other purposes than hedging. If the Investment Managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

All the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), net of direct and indirect operational costs and fees, will be returned to the Fund.

Each Sub-Fund may incur costs and fees in connection with EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs). In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques and transactions. 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 or the Investment Manager, if applicable,

will be available in the annual report. The annual report of the Fund will contain also all details on the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), for the entire reporting period.

Unless otherwise stated in section headed “Sub-Funds details” of this Prospectus, 90% of the gross revenues arising from TRS will be returned to the Fund and the remainder (being 10% of the gross revenues, representing the attendant direct and indirect operational costs and fees of agents or other intermediaries) will be retained by those agents or other intermediaries.

The counterparties to the SFTs will be selected through a credit assessment tailored to the intended activity, which may include *inter alia*, a review of the management, liquidity, credit history, profitability, corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality.

Approved counterparties will typically have a public rating of A- or above. While there won't be predetermined legal status applied in the selection of the counterparties, this element will typically be taken into account in the selection process.

In any case, the Fund, and relevant Sub-Fund will only enter into SFTs with such counterparties that are considered as creditworthy and subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and that are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, unless otherwise disclosed in the Section headed “*Sub-Funds Details*” to this prospectus for a specific Sub-Fund.

Pursuant to the investment management agreement between the Fund, the Management Company and, the Investment Manager, the Investment Manager undertakes to disclose all and any conflicts of interest that may arise regarding the provision of its services in writing to the Fund and to the Management Company according to its conflict of interest policy. This policy identifies, in relation to the collective portfolio management, the situations which cause, or could cause, a conflict of interest that represents a significant risk affecting the interests of the Fund or its Sub-Funds, including but not limited to, contracting or entering into any financial, banking, commercial, advisory or other transactions (including without limitation financial derivative transactions and SFTs).

The risks linked to the use of SFTs as well as risks linked to collateral management, such as operational, liquidity, counterparty and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in Section headed “*Risk Factors*”.

Assets subject to SFTs will be safe-kept by the Depositary of the Fund.

The maximum and expected proportion (i) of assets that may be subject to SFTs and (ii) for each type of assets that are subject to SFTs will be set out for each Sub-Fund in the relevant Section headed “*Sub-Funds Details*”. If a Sub-fund intends to make use of SFTs, the relevant Section headed “*Sub-Funds Details*” will include the disclosure requirements of the SFTR.

The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds. SFTs include in particular the following transactions:

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

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

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

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

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

The Fund may enter into securities lending and borrowing transactions in accordance with the following provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, of CSSF circular 11/512, CSSF circular 14/592 and ESMA Guidelines 2014/937:

- (i) The Fund may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) In relation to its lending transactions, the Fund shall receive a guarantee of a value which, at the conclusion and during the lifetime of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Fund until the lending contract expires. More specifically, the guarantee could take the form of:

- Liquidity and Cash deposits (defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC) or financial instruments equivalent to cash
  - Bond issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope as well as bonds issued by non-governmental issuers offering an adequate liquidity with a minimum rating of BBB+ by Standard & Poors or Baa1 by Moody's at the time of purchase (Investment Grade).
  - Shares and convertible bonds which are comprised in a main index
  - Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA by Standard & Poors or its equivalent, at the time of purchase.
- (iii) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the sub-fund concerned. This limit does not apply when the Fund has the right to terminate the contract at any time and obtain restitution of the securities lent.
- (iv) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the compartment concerned.
- (v) The Fund may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the Fund is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Depositary fails to perform its obligation to deliver the securities in question.
- (vi) Combined risk exposure to a single counterparty arising from one or more securities lending transactions and / or repurchase transactions (as described below under "*Repurchase Transactions*") may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the law of 17th December 2010 or 5% of its assets in any other cases.
- (vii) When entering into a securities lending agreement, the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.

## **B. Repurchase Transactions**

The Fund may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of Circular 08/356, CSSF circular 11/512, CSSF circular 14/592, ESMA Guidelines 2014/937 and Section headed "*Investment policies and restrictions*", on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Fund may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

- (i) The Fund may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) Throughout the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.
- (iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.
- (iv) Combined risk exposure to a single counterparty arising from one or more securities lending transactions (as described above under point A. “*Securities lending and securities borrowing transactions*”) and / or repurchase transactions may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41, paragraph (1) (f) of the law of 17th December 2010 of 5% of its assets in any other cases.

When entering into a reverse repurchase agreement, the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund. When entering into a repurchase agreement, the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

### **C. Collateral management and policy for EPM Techniques**

The Fund shall comply with the requirements provided by the provisions laid down in the Circular CSSF 14/592 and set out below when entering into management of collateral for OTC financial derivative transactions and efficient portfolio management techniques (and which modify the Box 26 of the existing guidelines on Risk Measurement and Calculation of Global Exposure and Counterparty Risk for UCITS (Ref. CESR/10-788)), as well as the provisions laid down in SFTR.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of the Directive.

All assets received by the Sub-Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria laid down in paragraph below.

Where a Sub-Fund enters into OTC FDI transactions and EPM Techniques, the Sub-Funds will only accept the following assets as collateral :

- (i) Liquid assets. Liquid assets include cash, short term bank certificates and money market instruments as defined within the Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.

- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
- (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the purpose of the above paragraph, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Furthermore all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive.
- b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place
- c) Issuer credit quality – collateral received should be of high quality (as above described).
- d) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of 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 its net asset value. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from this sub-paragraph, a UCITS may be fully collateralized 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. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in its prospectus. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities that they are able to accept as collateral for more than 20% of their net asset value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

The collateral eligibility requirements set out above stem from the ESMA Guidelines 2014/937 and CSSF circular 14/592.

Cash collateral received should only be:

- placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Non-cash collateral received should not be sold, re-invested or pledged.

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) 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 management risks are further described in the Section headed “*Risks Factors*” of the Prospectus.

#### **D. Haircut Policy**

For each of these financial instruments, the following discount rates will be applied (the Management Company reserves the right to vary this policy at any time):

- Cash in a currency other than the currency of exposure: **10%**
- Shares and shares of a UCI: **20%**
- Debt instruments at least investment grade: **15%**
- Non-investment grade debt securities and corporate bond: **40%**

The Risk Management department of the Management Company makes sure that the collateral used to mitigate counterparty risk is not sold, reinvested or pledged.

A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- Design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- Empirical approach to impact assessment, including back-testing of liquidity risk estimates;

- Reporting frequency and limit/loss tolerance threshold; and
- Mitigation actions to reduce loss including haircut policy and gap risk protection.

A Sub-Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Sub-Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

The prospectus should also clearly inform investors of the collateral policy of the Fund. This should include permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, re-investment policy (including the risks arising from the re-investment policy).



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## **VI. INVESTMENT IN ONE OR MORE OTHER SUB-FUNDS OF THE FUND**

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Pursuant to Article 181 (8) of the 2010 Law, any sub-fund of the Fund may, subject to the conditions provided for in the Articles of Incorporation, subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Fund without the Fund being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- no more than 10% of the assets that the target Sub-Funds whose acquisition is contemplated may be invested pursuant to the Instruments of Incorporation in shares of other target Sub-Funds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management, subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.

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## VII. RISK FACTORS

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### **Equity Risk**

While equities have historically been a leading choice of long-term investors, the fluctuations in their prices can sometimes be exacerbated in the short-term.

Because equity securities represent ownership in their issuers, prices of these securities can suffer for such reasons as poor management, shrinking product demand and other business risks.

Many factors can affect equity market performance: economic, political and business news can influence market-wide trends, over the short term as well as the long term.

### **Investment in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a sub-fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### **Investment in Financial Derivative Instruments**

#### **Investment in warrants**

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the sub-funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

#### **Credit Default Swaps**

Credit default swap transactions may entail particular risks.

These transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into credit default swap transactions with highly rated financial institutions.

Credit default swaps may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

### **Futures and Options**

The Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below headed "OTC Derivative Transactions"). The Fund must comply with the limits set out above in the Section Investment Policies and Restrictions under 3. "Investment and Borrowing Restrictions".

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

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

### **OTC Derivative Transactions**

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. The Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

EMIR was designed to improve the stability of the OTC markets throughout the EU aiming at introducing uniform requirements in respect of OTC derivatives transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain detail of derivatives transactions to trade repositories.

Prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR and similar regulatory regimes may adversely affect the Fund's ability to achieve its investment objectives. In

addition, the implementation and the compliance with the requirement laid down in EMIR may increase the overall costs borne by the SICAV as further detailed in Section headed “*Management and Fund Charges*”.

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

SFTs involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in SFTs is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuse to honour its obligation to return securities or cash to the Sub-Fund as required by the terms of the transaction:

#### **Counterparty risk.**

As an example, the Fund and any of its Sub-Funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section headed “*Techniques and Instruments*”. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Fund or the relevant Sub-Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Fund and any of its Sub-Funds may also enter into securities lending transactions subject to the conditions and limits set out in Section headed “*Techniques and Instruments*”. If the other party to a securities lending transaction should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund or the relevant Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and / or losses incurred upon realization of collateral: SFTs also entail **Liquidity risk** due to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption request.

The Sub-Fund may also incur **Operational risk** such as non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligation under sales of securities, and **Legal risks** related to the documentation uses in respect of such transactions.

The Sub-Fund's assets are held in custody by the Depositary which exposes the Compartment to **Custodian Risk**. This means that the Sub-Fund is exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

The Sub-Fund may enter into SFTs with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any SFTs concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transaction in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interest or that of affiliated counterparties.

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

In respect of margin lending transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

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

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

#### **Collateral Management risk**

Counterparty risk arising from OTC FDI and SFTs is generally mitigated by the transfer of pledge of collateral in favor of the Sub-Fund. However, transactions may not be fully collateralized. Fees and returns due to the Sub-Fund may not be collateralized. If a counterparty default, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such case, the Sub-Fund could realise a loss due to inaccurate pricing or monitoring of the collateral, adverse movements, deterioration in the credit rating of issuers of the collateral may delay or restrict the ability of the Sub-Fund to meet redemption request.

A Sub-Fund may also incur a loss reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would

reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transactions. The Sub-Fund would require to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

### **Non-investment grade securities**

Furthermore, for sub-funds whose policy allows for the investment in securities rated lower than BBB- (Standard & Poor's), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- (Standard & Poor's), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

### **Investing in Emerging Markets**

Investment in securities issued by issuers situated in or traded on markets situated in emerging countries involves risk factors and special considerations, including those which follow which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund. By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be underdeveloped enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

### **Investing in Frontier Markets**

Investments in Emerging Countries involve risks as set out in the section "Investing in Emerging Markets" above. Investments in Frontier Markets involve risks similar to investments in Emerging Markets but to a greater extent since Frontier Markets are even smaller, less developed, and less accessible than other Emerging Markets. Frontier Markets may also experience greater political and economic instability and may have less transparency, less ethical practices, and weaker corporate governance compared to other Emerging Markets and the relevant Fund/Investors may be adversely impacted. Such markets are also more likely to have investment and repatriation restrictions, exchange controls and less developed custodial and settlement systems than other Emerging Markets. The countries that comprise Frontier Markets include the lesser developed countries located in Africa, Asia, the Middle East, Eastern Europe and Latin America. As a result, the relevant Fund/Investors may be adversely impacted.

### **Interest Rate Risk**

Investment in debt securities or money market instruments is subject to interest rate risk.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the risk that such movements in interest rates will negatively affect a security's value or, in a sub-fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk.

While changes in interest rates may affect a sub-fund's interest income, such changes may positively or negatively affect the net asset value of the sub-fund's shares on a daily basis.

### **Currency Risk**

Since the securities held by a sub-fund may be denominated in currencies different from its base currency, the sub-fund may be affected favorably or unfavorably by changes in the exchange rates between such reference currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

Although a sub-fund may use hedging or other techniques in seeking to minimize its exposure to currency risk, it may not be possible or desirable to hedge against all currency risk exposure, nor is it guaranteed that a hedging technique will perform as anticipated.

### **Hedged Classes**

In the case where shares are hedged against the reference currency of a particular sub-fund, such hedging may, for technical reasons or due to market movements, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

### **Credit Risk**

Credit risk, related to all fixed income securities as well as money market instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or specific to an issuer, are all the factors that may have an adverse impact on an issuer's credit quality and security values.

### **Counterparty Risk**

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered when evaluating a contract.

The Fund is exposed to counterparty risk when entering into Over the Counter ("OTC") derivatives contracts or into cash deposits.

## **Liquidity Risk**

This is the risk of losing a certain amount of money when liquidating one or more positions in a portfolio. The loss is generated by the difference between the price at which the financial asset is marked and the price at which it can be sold.

Liquidity risk arises from situations in which a party interested in trading an asset cannot do it because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.

Manifestation of liquidity risk is very different from a drop of price to zero. In case of a drop of an asset's price to zero, the market is saying that the asset is worthless. However, if one party cannot find another party interested in trading the asset, this can potentially be only a problem of the market participants with finding each other. This is why liquidity risk is usually found to be higher in emerging markets or low-volume markets.

## **Risk inherent to the master-feeder structures**

As the Feeder Sub-Fund permanently invests 85% or more of its assets in units of the Master Fund, the investments of the Feeder Sub-Fund are not diversified. However, the investments of the Master Fund will be diversified, in accordance with its investment policy.

## **Risk inherent to repurchase and reverse repurchase agreements**

This risk results from the default or bankruptcy of counterparty which may cause a loss. Moreover the Sub-Fund may sustain losses, in the context of repurchase agreement if the value of the underlying securities sold by the Sub-Fund increases in relation to the liquid assets held by the Sub-Fund. For the reverse repurchase agreement the Sub-Fund may sustain losses if the value of the underlying securities bought decreases in connection of the liquid asset by the Sub-Fund.

The Sub-Fund will use repurchase and reverse repurchase agreement for the following purpose :

- Generation of additional capital
- Generation of additional income
- Reduction of the risks

## **Risks inherent to mutual market access between the mainland China and Hong Kong, with Shanghai and Shenzhen Connect for the stock market (“Mutual Market Access Programs”):**

Mutual Market Access Programs are developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), the Stock Exchange of Hong Kong Limited (“SEHK”), Shanghai Stock Exchange (“SSE”), Shenzhen Stock Exchange (“SZSE”), China Securities Depository and Clearing Corporation Limited (“ChinaClear”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) for establishing mutual stock market between the Mainland China and Hong Kong.

Following the successful launch of Shanghai Connect, Shenzhen Connect is considered as its natural extension. Shenzhen Connect by and large applies similar programme principles and design.



The Mutual Market Access Programs comprise a Northbound Trading Link by which some of the Sub-Funds (as further detailed in their respective investment policy under Section headed “Sub-Funds Details”) are able to trade eligible securities on the SSE/SZSE.

Through the Mutual Market Access Programs, Hong Kong and overseas investors may trade selected stocks listed on the SSE/SZSE markets (respectively “SSE Securities” and “SZSE Securities”). These include all the constituent stocks of the SSE 180 Index, and the SSE 380 Index, as well as all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion and all the SSE/SZSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H shares listed on SEHK, except the following:

- (a) SSE/SZSE -listed shares which are not traded in Renminbi (“RMB”); and
- (b) SSE/SZSE -listed shares which are under “risk alert”<sup>1</sup>.

SSE-listed securities will be included and excluded as SSE Securities based on the adjustments made to the SSE 180 Index and the SSE 380 Index, the timing at which the relevant A shares and H shares are listed on or delisted from SSE and/or SEHK, and the timing at which relevant A shares are placed under risk alert or released from risk alert.

SZSE-listed securities will be included and excluded as SZSE Securities based on adjustments made to the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index, the market capitalization of each constituent stock of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index calculated according to such methodology as determined by SZSE at the periodic adjustment of the index, the timing at which the relevant A shares and H shares are listed on or delisted from SZSE and/or SEHK, and the timing at which relevant A shares are placed under risk alert or released from risk alert.

Further information about the Mutual Market Access Programs is available at the following link:  
[http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm).

Furthermore, investments through the Mutual Market Access Programs are subject to additional risks. Some of them are listed below.

**Quota limitations:**

Trading under Mutual Market Access Programs is subject to quota limitations that may restrict the ability to invest through the Shanghai/Shenzhen Stock Connect.

**Differences in Trading Day:**

Mutual Market Access Programs only operate on days when both Mainland and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is

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<sup>1</sup> For further details please refer to the SSE/SZSE Listing Rules at: [http://www.sse.com.cn/lawandrules/sserules/listing/stock/c/c\\_20150912\\_3985869.shtml](http://www.sse.com.cn/lawandrules/sserules/listing/stock/c/c_20150912_3985869.shtml), and SSE Risk Alert and at <http://www.szse.cn/main/rule/>, Board Provisional Trading Arrangement at: [http://www.sse.com.cn/lawandrules/sserules/listing/stock/c/c\\_20150912\\_3985876.shtml](http://www.sse.com.cn/lawandrules/sserules/listing/stock/c/c_20150912_3985876.shtml)

possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out A-share trading. Customers should take note of the days Shanghai/Shenzhen Stock Connect are open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Mutual Market Access Programs are not operating.

**Suspension Risk:**

According to the relevant applicable rules, each of the SSE, the SEHK and the SZSE may suspend trading activities if necessary for ensuring an orderly and fair market and that risks are managed prudently.

**Clearing and Settlement risks:**

To facilitate the clearing and settlement of cross-boundary trades executed under Shanghai Connect, HKSCC and ChinaClear have established Clearing Links and become a participant of each other. The Clearing Links will be extended to include Shenzhen Connect.

For Shanghai Connect, all trades executed on SSE, including the SSE Securities trades executed by SEHK subsidiary for Exchange Participants, are settled in ChinaClear. Being a participant of ChinaClear, HKSCC settles the SSE Securities trades with ChinaClear in Shanghai on behalf of its China Connect Clearing Participants (“CCCPs”).

HKSCC on the other hand settles such trades with its CCCPs in Hong Kong, under the CCASS Continuous Net Settlement (CNS) system.

For Shenzhen Connect, HKSCC will extend its participants with ChinaClear to undertake the settlement obligations in respect of SZSE Securities trades in the same way as in the case of SSE Securities trades described above.

ChinaClear has established risk management measures which are approved and supervised by the China Securities Regulatory Commission (“CSRC”). The chances of ChinaClear default are considered to be remote.

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

**Nominee arrangements:**

HKSCC is the "nominee holder" of the SSE/SZSE Securities acquired by overseas investors, including the relevant Sub-Fund(s), through the Stock Connect. The CSRC Stock Connect rules expressly provided that investors enjoy the rights and benefits of the SSE/SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

Hong Kong and overseas investors (including the relevant Sub-Funds) are holding SSE/SZSE Securities traded via the Stock Connect through their brokers or custodians. Hence, Hong Kong and overseas investors will need to comply with the arrangement and deadline specified by their respective brokers or custodians

(i.e. CCASS participants). HKSCC will keep CCASS participants informed of corporate actions of SSE/SZSE Securities. The time for the CCASS participants to take actions for some types of corporate actions of SSE/SZSE Securities may be as short as one business day only. Therefore, the relevant Sub-Funds may not be able to participate in some corporate actions in a timely manner.

**Investors compensation:**

Investors should note that the Investor Compensation Fund established under the SFO does not cover any Northbound activities. However, investor protection measures which are required under the SFO to be observed by Exchange Participants vis-à-vis their clients, such as those relating to dealings with client securities and payment of client money into segregated accounts, are also applicable to Northbound trading activities undertaken by Exchange Participants for their clients under Shanghai and Shenzhen Connect.

**Operational risk:**

Mutual Market Access Programs provide new channels for investors from Hong Kong and overseas, such as Sub-Funds, to access the China stock market directly.

Mutual Market Access Programs are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in these programs subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

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

Further, the "connectivity" in the Mutual Market Access Programs requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. Where the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Sub-Funds' ability to trade eligible securities on the SSE/SZSE will be adversely affected.

**Foreign Shareholding Restriction:**

Regardless of the channels through which SSE/SZSE -listed shares are held, including but not limited to Mutual Market Access Programs, there is a limit to how many shares a single foreign investor, as well as all foreign investors are permitted to hold in a single Mainland China listed company. Hence, the Sub-Funds will be subject to restrictions on trading in SSE/SZSE -listed shares.

According to the current Mainland China rules, when an investor holds or controls up to 5% of the issued shares of a Mainland listed company, the investor is required to report in writing to the CSRC and the relevant exchange, and inform the listed company within three working days. The investor is not allowed to continue purchasing or selling shares in that listed company during the three days.

### **Regulatory risk:**

The CSRC Stock Connect rules are departmental regulations having legal effect in the People's Republic of China. However, there is no assurance that the People's Republic of China courts will recognize such rules.

The aforementioned section headed "*Risks inherent to mutual market access between the mainland China and Hong Kong, with Shanghai and Shenzhen Connect for the stock market ("Mutual Market Access Programs")*" contains a brief summary of the main risks relating to investments and trading in eligible Shanghai/Shenzhen Stock Exchange listed securities through Mutual Market Access Programs. Further details are available at the following link: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/investorinfo.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/investorinfo.htm).

### **Risks inherent to Chinese Interbank Bond Market ("CIBM"):**

#### **Market volatility and potential lack of liquidity**

Due to low trading volume of certain debt securities in the CIBM, prices of certain debt securities traded on such market fluctuating significantly.

#### **Liquidity and volatility risks**

The bid and offer spreads of the prices of such securities may be large, and the relevant Sub-Fund(s) may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

#### **Settlement and default of counterparties risks**

The Sub-Fund(s) may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund(s) may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

In addition, since the relevant filings and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, the relevant Sub-Fund(s) is subject to the risks of default or errors on the part of the onshore settlement agent.

#### **Regulatory risks**

The relevant rules and regulations on investment in the CIBM are subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading on the CIBM, the Sub-Funds' ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant Sub-Fund(s) may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

### **Risks inherent to Bond Connect:**

Bond Connect is the historic opening up of China's Interbank Bond Market to global investors through the China-Hong Kong mutual access program. The program allows foreign and Mainland China investors the

ability to trade in each other's bond market through a connection between the Mainland and Hong Kong based financial infrastructure institutions.

Bond Connect aims to enhance the efficiency and flexibility of investing in the CIBM. This is accomplished by easing the access requirements to enter the market, the use of the Hong Kong trading infrastructure to connect to China Foreign Exchange Trading System (CFETS), removal of the investment quota and Bond Settlement Agent, all which are required to invest in the CIBM directly. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Sub-Fund(s) investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

### **Asset Segregation**

Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories (CSD). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor. Bond purchased through Bond Connect will be held onshore with the China Central Depository Clearing Co. Ltd (CCDC) in the name of the Hong Kong Monetary Authority (HKMA). Investors will be the beneficial owners of the bonds via a segregated account structure in the Central Moneymarket Unit (CMU) in Hong Kong.

### **Clearing and Settlement Risk**

CMU and CCDC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and measures that are approved and supervised by the People's Bank of China (PBoC). The chances of CCDC default are considered to be remote. In the remote event of a CCDC default, CMUs liabilities in Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC. CMU should in good faith, seek recovery of the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. In that event, the relevant Sub-Fund(s) may suffer delay in the recovery process or may not fully recover its losses from CCDC.

### **Trading Link**

Participants to Bond Connect register with Tradeweb, the Bond Connect offshore electronic trading platform which links directly into CFETS. This platform will allow trading with designated onshore Bond Connect market makers using the Request for Quotation (RFQ) protocol.

The designated Bond Connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market

makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as it hasn't been accepted by the potential buyer. Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS will then generate a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

### **Regulatory Risk**

The Bond Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Bond Connect. The relevant Sub-Fund(s) may be adversely affected as a result of such changes. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

### **Conversion Risk**

The Sub-Fund(s), whose base currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments in CIBM bonds via the Bond Connect. During any such conversion, the relevant Sub-Fund(s) may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the relevant Sub-Fund(s) may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

### **Taxation**

Under current tax laws, coupon interest on government bonds is exempt. Capital gains from the disposal of PRC bonds would normally be subject to 10% tax however, currently the State Administration of Taxation (SAT) has not confirmed the collection process for CGT and therefore it is not currently collected.

With the uncertainty over whether and how certain income and capital gains on PRC securities are to be taxed, coupled with the possibility of the laws, regulations and practice in the PRC changing with retrospective effect, any accrual for taxation made by the Management Company may not meet final PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of such changes when they subscribed or redeemed their Shares from the Sub-Fund(s).

Further information about the Bond Connect is available online at the website: <https://www.chinabondconnect.com/en/index.html>

### **Potential Risks associated with investing in Cocos**

- Risk related to the trigger threshold: each instrument has its own characteristics. The level of conversion risk may vary, for example depending on the distance between the issuer's Tier 1 ratio and a threshold defined in the terms of issue. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt.
- Conversion risk: the behaviour of this instrument in the event of conversion may be unpredictable. The manager may be required to sell its securities in the event of a conversion into shares in order to comply with the sub-fund's investment policy.

- Impairment risk: the conversion mechanism of certain contingent convertible bonds may result in a total or partial loss of the initial investment.
- Risk of loss of coupon: with certain types of CoCos, the payment of coupons is discretionary and may be cancelled by the issuer at any time and for an indeterminate period.
- Risk of inversion of the capital structure: unlike the conventional capital hierarchy, under certain circumstances investors in CoCos may bear a loss greater than that of the shareholders. This is particularly the case when the trigger threshold is set at a high level.
- Risk of non-exercise of the repayment option by the issuer: As CoCos can be issued as perpetual instruments, investors may not be able to recover their capital on the optional reimbursement dates provided for in the terms of issue.
- Risk of concentration in a single industry: to the extent that contingent convertible bonds are issued by a single category of issuer, adverse events in the industry could affect investments in this type of instrument in a global manner.
- Risk linked to the complexity of the instrument: as these instruments are relatively recent, their behaviour during a period of stress and testing of conversion levels may be highly unpredictable.
- Liquidity risk: as with the high yield bond market, the liquidity of contingent convertible bonds may be affected significantly in the event of a period of turmoil in the markets.
- Valuation risk: the attractive return on this type of instrument may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity and risk premium.

Each investment policy for each Sub-Fund will indicate the maximum percentage planned for this type of instrument, if an investment is planned in CoCos.

### **Potential Risks associated with investing in ABS and MBS**

Certain Sub-Funds may have exposure to ABS and MBS as further detailed in their respective investment policies under section headed “*Sub-Funds Details*”.

The obligations associated with ABS and MBS may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

In addition, ABS and MBS are often exposed to extension and prepayment risks.

Extension risk: The risk of a security's expected maturity lengthening in duration due to the deceleration of prepayments. Extension risk is mainly the result of rising interest rates. As interest rates may rise due to different economic factors, the likelihood of prepayment decreases as people will be less likely to refinance their real estate investment.

Prepayment risk: The risk associated with the early unscheduled return of principal on a fixed-income security. On a mortgage/asset-backed security, the higher the interest rate relative to current interest rates, the higher the probability that the underlying mortgages will be refinanced. Investors who pay a premium for a callable bond with a high interest rate take on prepayment risk. In addition to being highly correlated with falling interest rates, mortgage prepayments are highly correlated with rising home values, as rising home values provide incentive for borrowers to trade up in homes or use cash-out re-finances, both leading to mortgage prepayments.

## **Regulatory and Legal Risks**

The Fund must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the investment restrictions, which might require a change in the investment policy and objectives followed by a compartment. The compartment's assets, the Underlying Asset and the derivative techniques used to expose the compartment to the Underlying Assets may also be subject to change in laws or regulations and/or regulatory action which may affect the value of the Shares. The Fund is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

*MiFID II*: impose new regulatory obligations on the Investment Manager. These regulatory obligations may impact on, and constrain the implementation of, the investment approach of the Fund and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or the Fund. *Extension of pre- and post-trade transparency*

MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID II, together with the restrictions on the use of “dark pools” and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Fund. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

### *Equities – On-exchange trading*

MiFID II introduces a new rule that an EU regulated firm may execute certain equities trades only on an EU trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Manager's ability to implement the Fund's investment objective and investment approach is uncertain.

### *OTC derivatives*

MiFID II requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID II introduces a new trading venue, the “organised trading facility”, which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on the Fund is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

### *Access to research*

MiFID II prohibits an EU authorised investment firm from receiving investment research unless it is paid for



directly by the firm out of its own resources or from a separate research payment account. EU research providers that are MiFID firms will be obliged to price their research services separately from their execution services. It is uncertain whether these changes will lead to an overall increase in the price of research and/or lead to reduced access to research for the Investment Manager in relation to the Fund's investment approach.

#### *Changes to use of direct market access*

MiFID II introduces new requirements on EU banks and brokers which offer direct market access ("DMA") services to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of the Fund's investment approach.

#### *Changes to conduct rules for EU brokers*

Historically, certain EU sell-side firms have used IPO and secondary allocations as a way of rewarding their most valued buy-side clients (in terms of trading volumes or commissions) for the business that they have given to the firm previously or to incentivise future business. New MiFID II requirements effectively prohibit such behaviour, as MiFID II precludes a sell-side firm from allocating issuances to clients either (a) to incentivise the payment of a large amount of fees for unrelated services provided by the EU firm or (b) which is conditional on the receipt of future orders or the purchase of any other service from the EU firm by a client. As a result, the manner in which the Investment Manager is allocated IPOs and secondary issuances by its sell-side service providers is likely to change significantly, which may have an adverse effect on the Investment Manager's ability to implement the Fund's investment approach.

#### *Changes to policies and procedures and costs of compliance*

MiFID II requires significant changes to a number of the Investment Manager's policies and procedures, including with respect to best execution, payment for and access to research, and conflicts of interest, which may adversely affect the Investment Manager's implementation of the Fund's investment approach. Compliance with these requirements is likely to result in the Investment Manager incurring significant costs and may also result in increased costs for the Fund.

#### **Sustainability risks:**

Sustainability risk means an ESG event or condition that, if it occurs, could potentially cause a material or negative impact on the value of a Sub-fund's investment. The incorporation of ESG considerations as further disclosed in the investment specifics of each Sub-Fund may affect the Sub-Fund's investment performance. As such, Sub-Funds that utilise an investment approach that integrates ESG considerations may perform differently compared to similar investment funds that do not factor in ESG considerations.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex. This assessment is the result of the Investment Manager's own research and analysis as further detailed, where applicable, in the Sub-Fund's specifics to this Prospectus. Such ESG factors and risks might not correspond directly with investor's own subjective views.

Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-fund.

The Fund, the Management Company or the Investment Manager do not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of any ESG assessment of the underlying investments.

For the purposes of SFDR, sustainability risks, where relevant to the investment decisions being made in respect of each Sub-Fund or likely to have a material impact on the Sub-Fund's return, will be described in the section headed "Sub-Funds details" to this Prospectus.

When a Sub-Fund promotes environmental or social characteristics or has a sustainable investment objective, such information will be further detailed in the Sub-Fund's investment policy or strategy in compliance with SFDR.

### **Particular risks in relation to Structured Products**

Holders of Structured Products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Sub-Fund may have the right to receive payments only from the Structured Products, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. Certain Structured Products may be thinly traded or have a limited trading market. In addition to the general risks associated with debt securities Structured Products carry additional risks, including, but not limited to: the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the possibility that the Structured Products are subordinate to other classes. Structured notes are based upon the movement of one or more factors, including interest rates, reference bonds and stock indices, and changes in interest rates and impact of these factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero.

Investments in Structured Products may involve additional risks than those resulting from direct investments in underlying assets. The Sub-Fund will be exposed not only to movements in the value of the underlying asset including but not limited to currency (or basket of currencies), equity, bond, commodity index or any other eligible index, but also to the risk that the issuer of the Structured Product defaults or becomes bankrupt. The Sub-Fund may bear the risk of the loss of its principal investment and periodic payments expected to be received for the duration of its investment in the Structured Products. In addition, a liquid secondary market may not exist for the Structured Products, and there can be no assurance that one will develop. The lack of a liquid secondary market may make it difficult for the Sub-Fund to sell the Structured Products it holds. Structured products may also embed leverage which can cause their prices to be more volatile and their value to fall below the value of the underlying asset.

The return of a Structured Product investment may be less than a direct investment in the underlying(s). The Structured Product investment aims to provide a defined return which does not necessarily directly relate to the performance of the underlying(s). The value of any Structured Product investment will be initially impacted by any charges or costs that were built into it, for example bid-offer spreads. Subsequently, factors such as, but not limited to, movements in interest rates, the performance of the underlying(s), the creditworthiness of the swap counterparty and macro-economic factors will all affect the value of the contract / security.

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## VIII. RISK MANAGEMENT PROCESS

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

As part of the RMP within the meaning of the applicable CSSF Circular 11/512 and the ESMA Guidelines 10-788, the Management Company will calculate the global exposure of each Sub-Fund on a daily basis despite of NAV frequency. This global exposure, depending on the risk profile of each sub-fund could be calculated using the Commitment Approach or the Value at Risk Approach (the “VaR Approach”), either relative or absolute.

The Commitment approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging.

The VaR approach quantifies the maximum potential loss that a UCITS could suffer within a certain time horizon and a given level of confidence under normal market conditions. The Management Company shall use a one month (20 days) Historical VaR with one year of history and a confidence level of 99%.

The risk profile will be evaluated by the Risk Management department of the Management Company, the result of this evaluation will be communicated to the Board of the Management Company that will confirm the approach chosen or propose a new one. More specifically, the selection of the approach will result from the investment policy and strategy of each Sub-Fund (including its use of financial derivative instruments).

The approach chosen for each Sub-Fund could be found in Appendix II – Sub-Funds Specific Risk Details of the present Prospectus. In case of a VaR approach, the expected level of leverage as well as the benchmark or the appropriate mix of assets (if managed with a relative VaR approach) will be indicated. The expected level of leverage will be calculated as the sum of notionals but could be completed by the commitment approach.

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## IX. SHARES

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Within the meaning of Article 181 of the 2010 Law, the Fund may issue within each Sub-Fund one or more classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but may differ, inter alia, in respect of specific sales and redemption charge structure, management charge structure, distribution policy, hedging policy or any other features as the Board of Directors shall from time to time determine in respect of each Sub-Fund.

Currently, the Board of Directors may decide to issue within each Sub-Fund, the following Classes of Shares as further described in the section headed “Sub-Funds Details” and in Appendix I – Sub-Funds features to this Prospectus.

- Class R, J and P: available to retail investors;
- Classes I, I1 and I2: available to Institutional Investors;
- Class S and S2: Reserved to individuals and/or corporate entities accepted in the discretion of the Fund and/or the Management Company;
- Class Z and Z2: Reserved to Institutional Investors selected by the Board of Directors.

In accordance with the above, the Shares are further sub-divided into two categories, Distribution Shares and Accumulation Shares, as further described under the Section ***Distribution Policy*** and detailed in the section headed “Sub-Funds Details” and in Appendix I – Sub-Funds features to this Prospectus.

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## X. DISTRIBUTION POLICY

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The Board of Directors has decided that Shares in all Sub-Funds shall be issued as Capitalisation or Distribution Shares, which shall have the following characteristics:

### Distribution shares

The Distribution shares will have that portion of the Sub-Fund's net investment income, which is attributable to such shares, distributed by way of a dividend.

### Capitalisation shares

The Capitalisation shares will have that portion of the Sub-Fund's net investment income, which is attributable to such shares, retained within the Sub-Fund thereby accumulating value in the price of the Capitalisation shares.

The general meeting of holders of distribution Shares in the Sub-Funds shall decide upon the proposals made by the Board of Directors on this matter. Should the Board of Directors decide to propose the payment of a dividend to the general meeting, such dividend shall be calculated in accordance with the legal and statutory limits for this purpose.

As far as distribution Shares are concerned, the Board of Directors will propose the distribution of a dividend within the limits of their available assets. This dividend may include, besides the net investment income, the realised and unrealised capital gains after deduction of realised and unrealised capital losses. The Board of Directors may also decide the payment of an interim dividend of the previous or the current year in accordance with the legal provisions applicable.

Registered Shareholders are paid by bank transfer sent to the address indicated in the Shareholders' register according to their instructions.

Each Shareholder is offered the possibility to reinvest his dividend free of charge up to the available Share unit.

Dividends not claimed within five years after their payment shall no longer be payable to the beneficiaries and shall revert to the Fund.

All dividend payment notices are published in a newspaper as required by law or if deemed appropriate by the Board of Directors.

With regard to the capitalisation Shares, the income will be reinvested.

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## XI. ISSUE, REDEMPTION AND CONVERSION OF SHARES

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“Late Trading” is to be understood as the acceptance of a subscription, conversion or redemption order after the cut-off time on the relevant Valuation Date and the execution of such order at the price based on the net asset value per Share applicable to such Valuation Date. To deter such practice, the Board of Directors takes the necessary measures to prevent that subscriptions, conversions or redemptions be accepted after the cut-off time in Luxembourg and that the net asset value per Share is calculated after the cut-off time (“forward pricing”).

The repeated purchase and sale of Shares designed to take advantage of pricing inefficiencies in the Fund – also known as “Market Timing” – may disrupt portfolio investment strategies and increase the Fund’s expenses and adversely affect the interests of the Fund’s long-term Shareholders. To deter such practice, the Board of Directors reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

### 1. Issue of Shares

Initial offer details for new Sub-Funds are disclosed in the section headed “Sub-Funds Details” to this Prospectus.

Unless otherwise provided for a Sub-Fund in the section headed “Sub-Funds Details” and in Appendix I – Sub-Funds features to this Prospectus, subscriptions for Shares in each Sub-Fund can be made on any Bank Business Day. Applications for subscriptions in respect of any Valuation Date will normally be satisfied on that Valuation Date, if accepted, provided that the application is received prior the Cut-off Time. Applications received after this deadline will be satisfied on the next following Valuation Date. Subscription payments will be made in the reference currency of the relevant Sub-Fund at the latest on the Settlement Date.

Applications for subscriptions must be sent in writing, by, fax or electronic means to the Administration Agent or with any other appointed agent (if sent by fax or by electronic means to be followed promptly by the original by post).

For each Sub-Fund, Shares are issued in registered form only.

Shares in registered form are dematerialised.

The Fund may issue fractional Shares (ten *thousandths*) in registered form. In case fractional registered Shares are issued, a confirmation of subscription shall be issued.

Shares must be fully paid-up and are issued with no par value. There is no restriction with regard to the number of Shares which may be issued.

The inscription of the shareholder's name in the shareholders' register evidences his right to ownership of such registered shares. The shareholders' register is kept at the registered office of the Registrar and Transfer Agent.

Applications for subscription may, at the subscriber's choice, pertain to a number of Shares to be subscribed or to an amount to be invested in the Fund. Only in this latter case, fractional Shares might be issued.

The rights attached to the Shares are those provided for in the Luxembourg law of 10 August 1915 on commercial companies, as amended, unless superseded by the 2010 Law.

All Shares of the Fund have an equal voting right, whatever their value (except that portion of a Share that is a fractional Share). The Shares of the Fund have an equal right to the liquidation proceeds of the Fund.

The countries where the Fund is distributed may decide to apply minimum subscription amounts as described in the local documents in force.

The minimal initial subscription in any Sub-Fund is specified in the section headed "Sub-Funds Details" to this Prospectus. The holding value in each Sub-Fund may only fall below such minimum as a result of a decrease of the net asset value per Share of the Sub-Fund concerned.

Shares shall be allotted at the net asset value per Share dated on the Valuation Date. A subscription fee expressed as a percentage of the net asset value may be charged to the investors by the appointed entities acting in relation to the distribution/marketing of the Shares as described in the section headed "Sub-Funds Details".

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

For requests for subscriptions in any major freely convertible currency other than the reference currency of the Sub-Fund (approved by the Board of Directors), the Depositary will arrange the foreign exchange conversion at the risk and expense of the investor.

Shares may be subscribed against contributions in kind considered acceptable by the Board of Directors on the basis of the investment policy of the relevant Sub-Fund and will be valued in an auditor's report as required by Luxembourg law. The relevant fees will be paid by the subscriber.

The Fund reserves the right to:

- accept or refuse any application in whole or in part and for any reason;
- repurchase, at any time, Shares held by persons not authorised to buy or own the Fund's Shares.

The Fund may also limit the distribution of Shares of a given Sub-Fund to specific countries.

The Fund has delegated to the Management Company the administration and marketing services in respect of all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will monitor the

prevention of anti-money laundering measures. Measures aimed at the prevention of money laundering may require an applicant for shares to certify its identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations. Thus, for the subscription to be valid and acceptable by the Fund, shareholders shall attach the following documents to the application forms, as well as any additional documents as requested from time to time by the Administrative Agent in compliance with the applicable laws and regulation in Luxembourg:

- if the investor is a *physical person*, a copy of one of his/her identification documents (*passport or ID card*), or
- if the investor is a *legal entity*, a copy of its corporate documents (*such as the articles, published balances, excerpt of the Trade Register, ...*) and the copies of the identification documents of its economic eligible parties (*passport or ID card*).

These documents shall be certified true copies of the originals by a public authority (*ex. notary, police, embassy, etc.*) of the country of residency.

This requirement is mandatory, except if:

- the application form is sent through another professional of the financial sector established in a FATF State and that this professional has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law, and
- a delegation contract of the identification obligations has been signed between such professional and the Administrative Agent.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Data Protection Law. In particular, such process of personal data or information implies that subscribing the Fund, Shareholders consent that their personal data or any information relating to them be disclosed (i) to any entity of the promoter's group and any affiliate, or (ii) to any authority in any country when required by law or regulation.

The Fund shall issue confirmations of shareholding to the holder of Shares. The inscription of the Shareholder's name in the register of Shareholders evidences his right of ownership of such registered Shares.

Confirmation of completed subscriptions will be mailed at the risk of the investor, to the address indicated in the subscription form within seven Bank Business Days following the issue of the Shares.

Issue of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund as provided for under Section 7. of "General Information".

In some countries, investors may be able to subscribe for Shares through regular saving plans. The fees and commissions relating to regular saving plans may not constitute more than a third of the total amount paid by



the investor during the first year of saving. Investors residing in Italy may be required to pay a fee to the Italian paying agent(s). Further information can be found in the latest version of the Italian application form which can be obtained from the authorised Distributors or in the documents in force in the different countries where the shares are distributed.

## **2. Conversion of Shares**

Subject to any suspension of the determination of the net asset values concerned and to compliance with any eligibility conditions, Shareholders have the right to convert all or part of the Shares they hold in any Sub-Fund into Shares of another existing Sub-Fund by making a request in writing, by fax or electronic means to the Administration Agent indicating the number and the reference name of the Shares to be converted.

The conversion request must be received prior to the Cut-off Time and must be accompanied, as the case may be, by a duly filled out transfer form, or by any document vouching for the transfer.

Requests received after this deadline will be satisfied on the next following Valuation Date.

When distribution and capitalisation Shares are issued within a Sub-Fund, holders of distribution Shares may request the conversion of their Shares into capitalisation Shares and vice-versa at the last available prices dates as of the applicable Valuation Date. A conversion towards a Sub-Fund or a Class of Shares reserved to Institutional Investors can only be required by investors qualified as such.

Shares will be cancelled and issued on the same day and the number of Shares issued upon conversion will be based upon the respective net asset values of the Shares of the two Sub-Funds concerned dated as of the Valuation Date. A conversion fee expressed as a percentage of the net asset value may be charged to the investors by the appointed entities acting in relation to the distribution/marketing of the Shares as described in the section headed "Sub-Funds Details".

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

If the net asset values concerned are expressed in different currencies, the conversion will be calculated by using the exchange rate applicable on the relevant Valuation Date on which the conversion is to be effected.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned, conversions may be effected in kind by transfer of a representative selection of the original Sub-Fund's holding in securities and cash pro rata to the number of Shares converted, to the receiving Sub-Fund having a compatible investment policy as certified by the auditor of the Fund.

Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

The number of Shares allocated in the new Sub-Fund or Class shall be determined as follows:

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

A number of Shares allotted in the new Sub-Fund/Class;

B number of Shares presented for conversion in the original Sub-Fund/Class;

- C net asset value, on the applicable Valuation Date, of the Shares of the original Sub-Fund/Class, presented for conversion;
- D (if any) exchange rate applicable on the day of the operation between the currencies of both Classes of Shares;
- E net asset value on the applicable Valuation Date of the Shares allotted in the new Sub-Fund/Class;
- F being a conversion fee (expressed as a percentage of the net asset value) payable to the various financial intermediaries concerned, payable from the original Sub-Fund;

In addition, if, as a result of a conversion, the value of a Shareholder's remaining holding in the original Sub-Fund would become less than the minimum holding referred to for each Class of Shares in the section headed "Sub-Funds Details" to this Prospectus, the relevant Shareholder will be deemed to have requested the conversion of all of his Shares.

### **3. Redemption of Shares**

Any Shareholder may present to the Administration Agent his Shares for redemption in part or whole on any Valuation Date.

Redemption requests received prior to the Cut-off Time will be executed at the net asset value per Share dated on that Valuation Date. Redemption requests received after the Cut-off Time will be executed on the following Valuation Date.

A redemption fee expressed as a percentage of the net asset value may be charged to the investors by the appointed entities acting in relation to the distribution/marketing of the Shares as described in the section *Sub-Funds Details*.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Redemption payments will be made in the reference currency of the relevant Sub-Fund at the latest on the Settlement Date, provided the relevant Share certificates, if any, have been duly received by the Administration Agent for cancellation.

The redemption application must be accompanied by the certificates carrying the name of the registered Shareholder, as well as any document vouching for the transfer of the certificates.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned redemptions may be effected in kind. Shareholders are free to refuse the redemption in kind and to insist upon cash redemption payment in the reference currency of the Sub-Fund. Where Shareholders agree to accept a redemption in kind they will, to the extent possible, receive a representative selection of the Sub-Fund's holding in securities and cash pro rata to the number of Shares redeemed. The value of the redemption in kind will be certified by an auditor's certificate drawn up in accordance with the requirements of Luxembourg law. Any expenses incurred for redemptions in kind shall be borne by the Shareholders concerned.

If, as a result of a redemption, the value of a Shareholder's holding in a Sub-Fund would become less than the minimum holding referred to for each Class of Shares in section headed "Sub-Funds Details" to this Prospectus, the relevant Shareholder will be deemed (if so decided from time to time by the Board of Directors) to have requested redemption of all of his Shares. Also, the Board of Directors may, at any time,

decide to compulsorily redeem all Shares from Shareholders whose holding in a Sub-Fund is less than the minimum holding referred to above. In case of such compulsory redemption, the Shareholder concerned will receive a one month prior notice so as to be able to increase his holding above the minimum holding at the applicable net asset value.

Where redemption requests received for one Sub-Fund on any Valuation Date exceed 10% of the net assets thereof, the Board of Directors may decide to:

- (i) Either totally or partially defer such redemption request until the next Valuation Date. On the next Valuation Date, or Valuation Dates until completion of the redemption requests received in excess of the 10% of the net assets, deferred redemption requests will be dealt in priority to any redemption requests received later on, as the case may be;
- (ii) Or delay the date of the payment of such redemption request until the closest next Bank Business Day on which liquidity has been made available.

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

Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund as provided for under Section 7. of “General Information”.

A Shareholder may not withdraw his request for redemption of Shares of any one Sub-Fund except in the event of a suspension of the determination of the net asset value of the Shares of such Sub-Fund and, in such event, a withdrawal will be effective only if written notification is received by the Administration Agent before the termination of the period of suspension. If the request is not withdrawn, the Fund shall proceed to redemption on the first applicable Valuation Date following the end of the suspension of the determination of the net asset value of the Shares of the relevant Sub-Fund.

The redemption price for Shares of the Fund may be higher or lower than the purchase price paid by the Shareholder at the time of subscription due to the appreciation or depreciation of the net assets.

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## XII. MANAGEMENT AND FUND CHARGES

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The Fund shall bear certain expenses, including:

- all taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- all fees due to the Auditor and the Legal Advisors to the Fund;
- standard brokerage fees and bank charges originating from the Fund's business transactions;
- all expenses connected with publications and supply of information to shareholders, in particular and where applicable, the cost of drafting, printing and distributing the annual and semi-annual reports, prospectuses as well as KiiDs, including translation costs, proxy forms for general meetings for the Shareholders, the cost of publishing the issue and redemption prices;
- all expenses involved in registering and maintaining the Fund registered with all governmental agencies and stock exchanges;
- all fees due to any paying agent(s), to representative(s) in foreign countries and any other agents;
- the costs related to extraordinary measures, in particular any expertise or trial aiming at the protection of the Shareholders' interests.

The Management Company shall receive from the Fund a Management Company Fee as further described in section "Sub-Funds Details".

The Fund will also pay a Distribution Fee to the Management Company which in turn will be retroceded to the relevant Distributor or any other financial intermediaries involved in the distribution, placement and marketing of the Shares of the Fund as disclosed in section "Sub-Funds Details".

The Fund will pay an Investment Management Fee and, as the case may be, an Investment Advisory Fee as disclosed in section "Sub-Funds Details" in order to remunerate respectively the Investment Manager(s) or the Investment Advisor(s) of the Sub-Funds.

Moreover, the Investment Manager(s) will receive a performance fee payable out of the assets of the relevant sub-funds, as further described in section "Sub-Funds Details" of the prospectus.

The Fund will also pay an Administrative Agent Fee to the Administrative Agent. The Administrative Agent Fee is subject to a maximum fee as further described in section "Sub-Funds Details" of the prospectus.

The Management Company may also invoice on an ancillary basis the Fund specific fees for additional services, as further disclosed in the relevant management agreement between the Fund and the Management Company, as may be amended from time to time.

The Depositary will receive a remuneration from the Fund as further described in section "Sub-Funds Details" of the prospectus.

The Management Company (in its capacity as domiciliary agent of the Fund) will receive from the Fund a domiciliation fee as further described in section “Sub-Funds Details” of the prospectus.

The Fund shall pay out of the assets attributable to each Class of each Sub-Fund, all expenses payable by the Sub-Fund, which shall include but not be limited to the cost of buying and selling portfolio securities, governmental fees, taxes, the remuneration of the Board of Directors (if any) including their insurance cover and reasonable travelling costs and out of pocket expense in connection with board meetings, legal and auditing fees, publishing and printing expenses, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders, postage and telephone. In the same manner, the Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other registration fees, as well as, all expenses connected to the authorisation of the Fund, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred by the implementation and compliance with regulatory requirements). All expenses are taken into account in the determination of the net asset value of the Shares of each Sub-Fund.

The organisation expenses of the Fund shall be amortised over the first 5 (five) accounting years. These expenses will be divided in equal parts between the Sub-Funds in existence, six months after the end of the initial offering period. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses which may be amortised over 5 (five) accounting years.

In the case where any asset, liability, fees and expenses of the Fund cannot be considered as being attributable to a particular Share Class, such asset or liability shall be allocated to all the Share Classes pro rata to the Net Asset Value per Share of the relevant Share Classes or in such other manner as determined by the Board of Directors acting in good faith. Each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

The Fund or its Sub-Funds may incur charges from the Investment Manager(s) relating to investment research services defined below, which will be used by the Investment Manager(s) to make investment management decisions in respect of the Sub-Fund.

Such research services may include, but are not limited to, published research notes, models or reports, other material or services suggesting or recommending an investment strategy or trade ideas, macroeconomic analysis, and access to research analysts or industry experts (including expert networks). Each Investment Manager considers that access to such research services and materials is integral to the Fund’s investment strategy, and that such services and materials will inform, and add value to, the Investment Manager’s investment decisions made on behalf of the Fund or its Sub-Fund(s).

Where research charges are incurred by the Fund or its Sub-Fund(s), the Investment Manager(s) intends to operate research payment accounts ("RPA(s)") in order to ensure that they comply with their regulatory obligations under MiFID II. The RPA(s) is operated by the Investment Manager(s) under the control of the Board of Directors of the Fund and shall be used exclusively to pay charges for investment research services received by the Investment Manager(s) from third parties in relation to the Sub-Fund. The RPA must be operated in accordance with the requirements of MiFID II. The Board of Directors of the Fund shall set and regularly assess the research service charges occurred for the Sub-Fund. Only once the Board of Directors of the Fund has controlled and assessed the actual research service charges such charges will be deducted from

the relevant Sub-Fund assets and will be transferred to the RPA, instead of being paid by it through brokerage fees and commissions.

Where such research charges are incurred by the Fund or its Sub-Fund(s), the Investment Manager(s) has adopted internal arrangements ("Research Policy"), including a methodology for valuing research that specifies criteria that will be used to assess its quality and usefulness in the investment process. The Investment Manager(s) regularly assesses the quality of the research purchased, based on robust quality criteria, and its ability to contribute to better investment decisions for the funds managed. The Investment Manager's policy is to calculate research budgets for each investment strategy employed by the Investment Manager(s) on behalf of one or more of its clients, including the Fund. The costs of research are allocated between the relevant clients of the Investment Manager as specified in the Research Policy.

Exact information on the budgeted and charged amount for research charges paid from the RPA will be determined in the annual accounts of the SICAV, where applicable, in respect of each Sub-Fund.

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## **XIII. TAXATION**

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### **1. Taxation of the Fund**

In accordance with the law in force and current practice, the Fund is not liable to any Luxembourg tax on income and capital gains.

However, the Fund is subject to an annual tax in Luxembourg corresponding to 0.05% of the value of the net assets. This tax is payable quarterly on the basis of the Fund's net assets calculated at the end of the relevant quarter. The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of Shares reserved to Institutional Investors. To the extent that the assets of the Fund are invested in investment funds established in Luxembourg, no such tax is payable.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the Shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

### **2. Taxation of the Shareholders**

As of the date of the registration of the Fund, Shareholders are not subject to any such tax in Luxembourg on capital gains, income, donations or inheritance, nor to withholding taxes, subject to the EU Tax Considerations below or with the exception of Shareholders having their domicile, residence or permanent establishment in Luxembourg, and certain Luxembourg ex-residents, owning more than 10% of the Fund's capital.

The provisions above are based on the law and practices currently in force and may be amended.

### **3. European Union Tax Considerations**

The law passed by parliament on 21 June 2005 (the "Law") has implemented into Luxembourg law, Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (referred to as "Savings Directive"). Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Dividends, if any, distributed by a Sub-Fund of the Fund will be subject to the Savings Directive and the Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the Law)

and proceeds realised by Shareholders on the disposal of Shares will be subject to the Savings Directive and the Law if more than 25% of the relevant Sub-Fund's assets are invested in debt claims.

On 25 November 2014, Luxembourg enacted a law relating to the automatic exchange of information on interest payments from savings income (the "Exchange of Information Law") modifying the Law. The Exchange of Information Law abolished the transitional period during which the Luxembourg was entitled to levy a withholding tax on interest payments.

As from 1 January 2015, Luxembourg applied the automatic exchange of information on interest payment made by a Luxembourg paying agent to individuals resident in other Member States.

*The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice. Potential subscribers should inform themselves and, if necessary, take advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and sale of their Shares in the country of respectively their citizenship, residence or domicile.*

#### **4. FATCA**

##### *a) General Rules and Legal background*

FATCA is part of the U.S. Hiring Incentives to Restore Employment Act. It is designed to prevent U.S. tax payers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so-called Foreign Financial Institutions ("FFIs"), which notably include certain investment vehicles ("Investment Entities"), among which UCITS.

According to the FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to report to the IRS certain holdings by/ and payments made to a/ certain U.S. investors b/ certain U.S. controlled foreign entity investor, c/ non U.S. financial institution investors that do not comply with their obligations under FATCA and d/clients that are not able to document clearly their FATCA status.

On March 28th, 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions (the "Luxembourg IGA" or the "IGA").

According to the terms of the IGA, Reporting Luxembourg FFIs will have to report to the Luxembourg tax authorities instead of directly to the IRS. Information will be communicated onward by the Luxembourg authorities to the IRS under the general information exchange provisions of the U.S. Luxembourg income tax treaty.

The Luxembourg law of 24 July 2015 transposing the Luxembourg-US IGA was published on 29 July 2015.

##### *b) Other parties*

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the U.S. Investors holding investments via Distributors or custodians that are not in Luxembourg or in another IGA country should check with such Distributors or custodians as to the Distributor's or custodian's intention to comply with FATCA. Additional information may be required by



the Fund, custodians or Distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

The foregoing is only a summary of the implications of FATCA, is based on the current interpretation thereof and does not purport to be complete in all respects.

Shareholders and prospective investors should contact their own tax adviser regarding the application of FATCA to their particular circumstances.

### *c) FATCA Status*

The Fund has elected for the FATCA status of “Sponsored Investment Entity” under the Luxembourg IGA and has appointed the Management Company as its “Sponsoring Entity”. The Fund will hence qualify as “Non-Reporting/Deemed-compliant FFI” under the terms of the IGA and will not need to register with the IRS/obtain a GIIN number unless “US reportable accounts” are identified.

As registered “Sponsoring Entity” towards the IRS, the Management Company will act as “Sponsoring entity” for the Fund and will perform on its behalf all due diligence, withholding, reporting and other requirements that the Fund would have been required to perform in order to comply with the Luxembourg IGA as implemented into Luxembourg national law and regulation.

As part of its reporting obligations, the Fund/the Management Company (or its delegates) may be required to disclose certain confidential information (including, but not limited to, the investor’s name, address, tax identification number, if any, and certain information relating to the investor’s investment in the Fund self-certification, GIIN number or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with FATCA, related IGA or other applicable law or regulation.

The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA, as transposed in Luxembourg law, places upon it.

## **5. Common Reporting Standard considerations**

The Organisation for Economic Cooperation and Development (the OECD) developed a common reporting standard (CRS) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Shareholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis, a Council Directive 2014/107/EU amending the Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the Euro-CRS Directive) has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the EU Member States for the data relating to calendar year 2016.

In addition, Luxembourg tax authorities signed the OECD's multilateral competent authority agreement (Multilateral Agreement) to automatically exchange information under the CRS. In that respect, the Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters (the 2015 Tax Law) has been published in the Official Journal on 24 December 2015. The 2015 Tax Law transposes Euro-CRS Directive and entered into force on 1 January 2016.

Under the 2015 Tax Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Fund may be required to run additional due diligence process on its Shareholders and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable.

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

The Fund qualifies as a reporting financial institution subject to CRS.

As part of its reporting obligations, the Fund/the Management Company (or its delegates) may be required to disclose certain confidential information (including, but not limited to, the investor's name, address, tax identification number, if any, and certain information relating to the investor's investment in the Fund self-certification, GIIN or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with CRS, related IGA or other applicable law or regulation.

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## XIV. INFORMATION FOR GERMAN INVESTORS

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Pursuant to the German Investment Code (*Kapitalanlagegesetzbuch*, hereinafter referred to as “KAGB”) as amended from time to time, the Management Company has notified the German Supervisory Authority (the “BaFin”) of its intention to market the Fund publicly in the Federal Republic of Germany.

**GerFIS - German Fund Information Service UG (Haftungsbeschränkt), having its registered office Zum Eichhagen 4, 21382 Brietlingen, Germany**, shall assume the function of information agent of the Fund within the meaning of the KAGB (the “Information Agent”), insofar as and so long as the BaFin does not prohibit the sale and distribution of the Fund in the Federal Republic of Germany.

### **Information regarding the Information Agent in Germany**

The following documents concerning the Fund may be inspected and obtained free of charge from the registered office of the Information Agent and are published on the Management Company’s website:

1. the Articles of Incorporation;
2. the latest Prospectus;
3. the latest KiiD;
4. the latest annual and half-yearly accounts.

All those documents are available in a language that is customary in the sphere of international finance i.e. in English. The KiiD is available in German.

The issue and redemption prices as well as other information and documents (e.g. the relevant contracts) which are required to be published in Luxembourg are available for inspection at or may be obtained free of charge from the Information Agent.

### **Redemption of Shares, payments to Shareholders**

Redemptions of Shares and payments to the Shareholder in Germany (redemption proceeds, any distributions and other payments) are affected through the entities maintaining the securities accounts of the Shareholders. Printed individual certificates are not issued.

### **Manners in which the issue, sale, redemption or repurchase price of shares of the Fund will be made public and other useful information**

The issue and redemption prices are published on the Management Company’s website at the following address: [www.linkfundsolutions.lu](http://www.linkfundsolutions.lu)

Investors are provided with information by means of the website of the Management Company concerning:

- Any suspension of the redemption of the Fund’s shares;
- Any termination of the agreement between the Fund and the Management Company or the winding-up of the Fund;
- Amendments to the Fund’s Articles of Incorporation which are inconsistent with the existing

investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the Fund's assets, including the reasons for the amendments and the rights of investors;

- The merger of the Fund in the form of information on the proposed merger which shall be drawn up in accordance with the Directive 2009/65/EC, as amended;
- The conversion of the Fund into a feeder fund or any change to a master fund in the form of information which shall be drawn up in accordance with the Directive 2009/65/EC.

In addition, according to article 167 of the KAGB, shareholders in Germany will also be notified by means of a durable medium in the aforementioned cases.

#### **Sub-Fund that may be marketed in the Federal Republic of Germany**

Aristea Sicav – FIM GEM Debt Fund

Aristea Sicav – New Frontiers Equity Fund

#### **Sub-Funds NOT marketed in the Federal Republic of Germany**

No notification has been filed with the BaFin for the distribution of the following Sub-Funds in Germany:

**Aristea Sicav – Short Term**

**Aristea Sicav – Chiron Total Return**

**Aristea Sicav – Mixed Allocation**

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## XV. GENERAL INFORMATION

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### 1. Organisation

The Fund is an investment company organised as a *Société Anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *Société d'Investissement à Capital Variable* (SICAV) in accordance with Part I of the 2010 Law. The Fund has been incorporated in Luxembourg on 4<sup>th</sup> December 2014 for an unlimited period with an initial share capital of EUR 31'000. Its Articles of Incorporation were published in the Mémorial on 12<sup>th</sup> January 2015. The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B 193297.

The Articles of Incorporation and a legal notice in respect of the issue and sale of the Shares by the Fund have been filed with the *Registre de Commerce et des Sociétés* of Luxembourg.

The minimum capital of the Fund required by Luxembourg law is EUR 1'250'000.

### 2. The Shares

The Shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The rules governing such allocation are set forth under section 5. "Allocation of Assets and Liabilities among the Sub-Funds" thereafter. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Fund become null and void.

The Fund may restrict or prevent the ownership of its Shares by any person, firm or corporation, if such ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders. Where it appears to the Fund that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Fund may proceed to compulsory redemption of all Shares so owned.

As stated under "Distribution Policy" above, the Shares presently in issue are both capitalisation and distribution Shares. As provided in the Articles of Incorporation, the Board of Directors may decide to issue, in respect of each Sub-Fund, distribution Shares. Shareholders would then be allowed at any annual general meeting to decide distributions in respect of dividend Shares (if issued). Dividends would then be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Fund would become less than the minimum provided for under Luxembourg law.

### 3. Meetings

The annual general meeting of shareholders is held each year at the Fund's registered office or at any other place in Luxembourg specified in the convening notice.

The annual general meeting of Shareholders shall be held within four months following the financial year end, in accordance with any applicable Luxembourg Law. Convening notices of all, ordinary and

extraordinary, general meetings shall be sent by registered letters to all shareholders to their address indicated in the shareholders' register, at least eight days before the general meeting.

These notices shall indicate the time and place of the general meeting, the conditions for admission, the agenda and the prescriptions of the Luxembourg law regarding quorum and majority.

Such notices may be published in the *Recueil Electronique des Sociétés et Associations* and/or any newspaper(s) as deemed necessary by the Board or required by any applicable laws and regulations of the countries where the Shares of the Fund are registered for sale.

Each Share confers the right to one vote. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

#### **4. Reports and Accounts**

Every year, the Fund publishes a detailed report on its activities and the management of its assets, including the balance sheet and consolidated profit and loss accounts and the report of the independent auditor.

Furthermore, at the end of each half-year, it shall establish a report including *inter alia*, the composition of the portfolio, statements of portfolio changes during the period, the number of shares outstanding and the number of shares issued and redeemed since the last publication.

The reports shall be made available at the registered offices of the Fund during ordinary office hours and if required they may be sent to registered Shareholders. The Fund's accounting year ends on 31<sup>st</sup> December of each year. The first audited annual report was issued for the financial year ending on 31<sup>st</sup> December 2015. The first semi-annual report shall be issued on 30<sup>th</sup> June 2015.

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

#### **5. Allocation of assets and liabilities among the Sub-Funds**

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (b) where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;

- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;
- (e) upon the payment of dividends to the holders of Shares in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.

If there have been created within each Sub-Fund different classes of Shares, the rules shall *mutatis mutandis* apply for the allocation of assets and liabilities amongst Classes.

## **6. Determination of the net asset value of Shares**

Unless otherwise disclosed in section headed “Sub-Funds Details” and in Appendix I – Sub-Funds features to this Prospectus, the net asset value of the Shares of each Sub-Fund is determined every day in its reference currency. It shall be determined by dividing the net assets attributable to each Sub-Fund by the number of Shares of such Sub-Fund then outstanding. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets of the Fund shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Fund may consider appropriate in such case to reflect the true value thereof;
- (b) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the last available closing prices at the Valuation Date and, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities and/or financial derivative instruments, and each security and/or financial derivative instrument traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities and/or financial derivative instruments;
- (c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;
- (d) Shares or units in open-ended investment funds shall be valued at their last available calculated net asset value;
- (e) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;

- (f) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;
- (g) swaps are valued at their fair value based on the underlying securities.

The Fund is authorized to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

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

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the previous day closing rate of exchange.

The net asset value per Share of each Class in a Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

## **7. Temporary Suspension of Issues, Redemptions and Conversions**

The determination of the net asset value of Shares of one or several Sub-Funds may be suspended during:

- (a) during any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in a non-Member State on which a substantial part of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- (b) when political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders of the Fund; or
- (c) during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- (d) during any period where 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 realization 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; or



- (e) during any period when for any other reason the prices of any investments owned by the Fund, including in particular the financial derivative instruments and repurchase transactions entered into by the Fund in respect of any Sub-Fund, cannot promptly or accurately be ascertained; or
- (f) following a decision to merge, liquidate or dissolve the Fund or, if applicable, one or several Sub-Fund(s); or
- (g) following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption and/or (iv) the conversion of the shares/units issued at the level of a master in which the Sub-Fund invests in its quality as feeder within the meaning of the 2010 Law; or
- (h) during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied as soon as an extraordinary general meeting of Shareholders of the Fund or of a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund; or
- (i) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the Fund are not compiled or published; or
- (j) upon the order of the Luxembourg supervisory authority; or
- (k) in any case, at the Board of Directors' discretion when it is in the best interest of the Shareholders.

Any such suspension shall be publicized, if appropriate, by the Fund and shall be notified to Shareholders requesting purchase of their Shares by the Fund at the time of the filing of the written request for such purchase as specified under section "Issue, Redemption and Conversion of Shares".

Such suspension as to any Class of Shares shall have no effect on the calculation of the net asset value, the issue, redemption and conversion of the Shares of any other Sub-Fund/Class of Shares.

The Board of Directors has the power to suspend the issue, redemption and conversion of Shares in one or several Sub-Funds for any period during which the determination of the net asset value per Share of the concerned Sub-Fund(s) is suspended by the Fund by virtue of the powers described above. Any subscription/redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Administrative Agent before the end of such suspension period. Should such withdrawal not be effected, the Shares in question shall be subscribed/redeemed/converted on the first Valuation Date following the termination of the suspension period. In the event of such period being extended, notice may be published in newspapers in the countries where the Fund's Shares are publicly sold. Investors who have requested the subscription, redemption or conversion of Shares shall be informed of such suspension when such request is made.

## **8. Merger or Liquidation of Sub-Funds**

### **Closure of Sub-Funds and/or Share Classes**

1. In the event that for any reason the value of the net assets in any Sub-Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary

situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or if the Board of Directors otherwise considers it to be in the best interest of the Shareholders of the relevant Sub-Fund and/or Class, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Share Classes issued in such Sub-Fund or the relevant Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class. The Fund shall serve a notice to the Shareholders of the relevant Class or Share Classes 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 or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

2. Notwithstanding the powers conferred to the Board of Directors by the paragraph above, the general meeting of Shareholders of any Sub-Fund or Class within any Sub-Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

3. Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

4. All redeemed Shares shall be cancelled.

5. The liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund under the conditions of the 2010 Law.

### **Mergers of Sub-Funds and Amalgamation of Share Classes**

1. The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another new or existing Luxembourg or foreign UCITS; or
- another new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS,

In the case the last, or unique Sub-Fund involved in a merger is the absorbed UCITS (within the meaning of the 2010 Law) and, hence, ceases to exist upon completion of the merger, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Sub-Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

In addition when the interest of the shareholders so require, the Board of Directors may also decide on the closing of one or several Sub-Funds through contribution to one or several other Sub-Funds in the Fund or to one or several sub-funds of another UCITS incorporated under Luxembourg law and subject to the provisions of Part I of the 2010 Law.

2. The general meeting of the Shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any new or existing Luxembourg or foreign UCITS ; or
- any new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS,

by a resolution adopted with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two thirds of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other classes within the same Sub-Fund or into Shares of same or other classes within another Sub-Fund pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

3. In the event that for any reason the value of the net assets in any Class of Shares has decreased below the minimum level under which the Sub-Fund may no longer operate in an economically efficient manner, or as a matter of economic rationalisation or for any reason determined by the Board of Directors, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). The Fund shall send a written notice to the Shareholders of the relevant Class as required by any applicable law. The decision of the Board of Directors will be subject to the right of the relevant Shareholders to request, without any charges, other than those retained by the Sub-Fund to meet disinvestment costs the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Sub-Fund or into Shares of same or other Classes within another Sub-Fund.

### **Split of Sub-Funds**

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or in the event of a change in the economic or political situation which would have material consequences on the relevant Sub-Fund, the Board of Directors may decide to reorganise a Sub-Fund by splitting it into two or more Sub-Funds. Such a decision will be notified and/or published as required by any applicable law.

## **9. Merger of the Fund**

1. The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

In case the Fund is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Fund is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders of the Fund has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

2. The general meeting of the Shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

The merger decision shall be adopted by the general meeting of Shareholders with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two thirds of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Shares pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

## **10. Liquidation of the Fund**

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.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out pursuant to the provisions of the 2010 Law. Such law specifies the steps to be taken to enable the 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 the liquidation. Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will at the close of the liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010

Law, where the proceeds will be held at the disposal of the Shareholders entitled thereto until the end of the statutory limitation period.

## **11. Liquidation of a Feeder UCITS**

(1) If a Master UCITS is liquidated, the Feeder UCITS shall also be liquidated, unless the CSSF approves:

- a) the investment of at least 85 % of the assets of the Feeder UCITS in units of another Master UCITS; or
- b) the amendment of the management regulations or the instruments of incorporation of the Feeder UCITS in order to enable it to convert into a UCITS which is not a Feeder UCITS.

Without prejudice to specific provisions regarding compulsory liquidation, the liquidation of a Master UCITS shall take place no sooner than three months after the Master UCITS has informed all of its unitholders and the CSSF of the binding decision to liquidate.

(2) If a Master UCITS merges with another UCITS or is divided into two or more UCITS, the Feeder UCITS shall be liquidated, unless the CSSF grants approval to the Feeder UCITS to:

- a) continue to be a Feeder UCITS of the Master UCITS or another UCITS resulting from the merger or division of the Master UCITS;
- b) invest at least 85 % of its assets in units of another Master UCITS not resulting from the merger or the division; or
- c) amend its management regulations or its instruments of incorporation in order to convert into a UCITS which is not a Feeder UCITS.

No merger or division of a Master UCITS shall become effective, unless the Master UCITS has provided all of its unitholders and the competent authorities of the home Member State of its Feeder UCITS with the information referred to, or comparable with that referred to, in Article 72 of the 2010 Law, at least sixty days before the proposed effective date.

Unless the CSSF has granted approval pursuant to the first sub-paragraph, point a) above, the Master UCITS shall enable the Feeder UCITS to repurchase or redeem all units in the Master UCITS before the merger or division of the Master UCITS becomes effective.

## **12. Material Contracts**

The following material contracts have been entered into:

- (a) A Management Company Services Agreement entered into between the Fund and the Management Company pursuant to which the latter acts as the management company of the Fund. This Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (b) A Depositary Agreement entered into between the Fund, the Management Company and BNP Paribas, Luxembourg Branch pursuant to which the latter was appointed Depositary. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

- (c) An Administrative Agreement entered into between the Fund, Management Company and BNP Paribas, Luxembourg Branch pursuant to which the latter acts as Administration Agent of the Fund.
- (d) A Domiciliary Agreement entered into between the Fund and the Management Company pursuant to which the latter acts as the Domiciliary Agent of the Fund.

### **13. Documents**

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the Key investor information document for the Sub-Funds and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in, Luxembourg.

### **14. Official Language**

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

### **15. Publication of other information**

The Fund shall make public the issue, sale and repurchase price of its shares each time the Fund respectively its sub-funds issue, sell and repurchase their shares, and at least twice a month.

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## SUB-FUNDS DETAILS

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1. ARISTEA SICAV – SHORT TERM
2. ARISTEA SICAV – CHIRON TOTAL RETURN
3. ARISTEA SICAV – NEW FRONTIERS EQUITY FUND
4. ARISTEA SICAV – FIM GEM DEBT FUND
5. ARISTEA SICAV – MIXED ALLOCATION

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## 1. ARISTEA SICAV – SHORT TERM

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Information contained herein should be read in conjunction with the text in the main part of the Prospectus.

### *1. Investment Manager*

The following entity has been appointed as Investment Manager of this Sub-Fund:

**Banor Capital Ltd**, a company incorporated on 15<sup>th</sup> March 2010 and supervised by the Financial Conduct Authority (FCA) with reference number 523080, having its registered office at 108-110 Jermyn Street, London SW1Y 6EE (UK), has been designated Investment Manager of the above Sub-Fund by means of an agreement dated 19 July 2017, as amended from time to time, with the Management Company, the Investment Manager and the Fund, to provide day-to-day management of the Sub-Fund's investments, subject to the overall supervision and responsibility of the Management Company and/or the Fund.

### *2. Investment Objective and Policy*

The investment objective of the Sub-Fund is to deliver a return greater than money market interest rates with a maturity of up to 12 months. To achieve this objective, the Sub-Fund will invest in short term cash deposits opened with institutions offering higher yields. Issuer selection will be based on in-house bottom-up analysis focusing on an in-depth review of the counterparty balance sheet, including standard credit metrics (such as leverage, liquidity, exposure to non-performing loans, sector exposure) and non-standard, proprietary metrics. In particular, the risk level of every issuer is measured and stress tested against a scenario of default, using a proprietary measure defined "Distance to Deposit Default" in percentage (DDD%) that takes into account the capital stack available for bail-in before deposits. These cash deposits must be open with credit institutions that have their registered offices in an EU Member State and must be repayable on demand (or have the right to be withdrawn). The aforementioned institutions may either have a sub-investment grade rating (i.e. equal or inferior to BB+ by Standard & Poor's and/or equivalent if rated by other ratings agencies) or no formal rating. As such, those deposits may not qualify as "high-quality eligible assets" under EU Regulation 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds. In addition, the Sub-Fund does not apply any restriction in terms of Weighted Average Life and Weighted Average Maturity as required under EU Regulation 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

Additionally, the Sub-Fund will have the right, up to 30%, to invest in fixed income securities with a residual maturity up to 18 months. Fixed income securities include money market instruments, bonds, debt securities and other similar instruments issued by various entities, including public or private sector issuers. The aforementioned securities may either have a sub-investment grade rating (i.e. equal or inferior to BB+ by Standard & Poor's and/or equivalent if rated by other ratings agencies) or no formal rating. As such, those fixed income securities may not qualify as "high-quality eligible assets" under EU Regulation 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds. In addition, the Sub-Fund does not apply any restriction in terms of Weighted Average Life and Weighted Average Maturity as required under EU Regulation 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.



In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in the Target Funds.

The Sub-Fund may also enter in repurchase agreement or reverse purchase agreement with suitable counterparties which are not related to the Investment Manager.

All revenues arising from repurchase and reverse repurchase agreements, net of direct and indirect operational costs, will be accrued to the relevant Sub-Fund.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and market risk but also for investment purposes to meet the Sub-Fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives dealt on a regulated market or OTC ("Over the counter").

The Sub-Fund will not directly invest in ABS, MBS or CoCos, indirect exposure may occur from the investment through the Target Funds.

This Sub-Fund is actively managed meaning that the Investment Manager has, subject to the stated investment objectives and policy, discretion over its portfolio, with no reference or constraint to any benchmark.

The Sub-Fund does not promote environmental or social characteristics either and does not have as objective sustainable investment as provided by Articles 8 or 9 of SFDR.

The Sub-Fund currently falls within the scope of Article 6 of SFDR. The Investment Manager has determined that sustainability risks are not currently material to the investment decisions being made in respect of the Sub-Fund, based on its investment strategy and has further determined that sustainability risks are currently not likely to have a material impact on the returns of the Sub-fund. Nevertheless, the Investment Manager will remain committed to the Responsible Investment policy and exclusion lists published on its website. For further details, the Investment Manager's Responsible Investment Policy is available on the Investment Manager's website at the following link.

<https://www.banorcapital.com/wp-content/uploads/2020/03/Responsible-Investments-Policy-1.pdf>.

The Investment Manager does not consider principal adverse impacts of its investment decisions on sustainability factors as the size, the nature and the scale of the activities of the Sub-Fund are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the Sub-Fund is mainly determined by risk factors other than sustainability-related risk factors.

Investments within the Sub-Fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities as set forth in the Taxonomy Regulation.

In addition, the Sub-Fund may hold ancillary liquid assets, in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund.

Under exceptional market circumstances, for the sole purpose of protecting the Sub-Fund assets and to protect interest of investors, the Sub-Fund may be invested up to 100% of its net assets in cash, or cash equivalent on a temporary basis.

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

### **3. Reference Currency**

EUR

### **4. Available Classes of Shares**

Class R – Retail investors

Registered Shares

Capitalization and Distribution Shares

Class I – Institutional Investors

Registered Shares

Capitalization and Distribution Shares

### **5. Fees**

#### **Fees borne by the Shareholders:**

Subscription fee: none

Redemption fee: none

Conversion fee: none

#### **Fees borne by the Sub-Fund:**

- i. Management Company Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- ii. Distribution Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iii. Investment Management Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iv. Depositary Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- v. Administrative Agent Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vi. Investment Advisory Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vii. Domiciliation Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- viii. Performance Fee:**  
Applicable for all Share Classes

The performance fee per share will amount 10% of the return of the net asset value per Share (versus the reference NAV) that exceeds the return of the synthetic index calculated on a prorata temporis basis and composed for 50% of euro short-term rate (€STR) and for 50% of daily Euribor 1 month.

The performance fee is also due when the return of the net asset value per Share (versus the reference NAV), although negative, overperformed the synthetic index.

However, in case the return of the net asset value per Share (versus the reference NAV) does not overperformed the return of the synthetic index, a future performance fee will be payable only once the NAV per share return will become higher than the cumulated return of the synthetic index since the underperformed calculation period.

There is no possibility of reset neither of the synthetic index nor of the past underperformances so the performance fee cannot be accrued or paid more than once for the same level of performance over the whole life of the fund.

The reference NAV is either the initial Net Asset Value per Share at the launch date or the previous quarter end Net Asset Value per Share at which a performance fee was paid or due.

The Investment Manager is entitled to receive from the Fund 100% of such performance fee.

The performance fee is calculated at the level of each Fund Share Class which means its performance can differ from investors' shares performance according to the date(s) of their subscription(s) within the calculation period.

The performance reference period going through the lifetime of the fund, the start of the calculation period (Calendar quarter – extended quarterly until a new overperformance of the synthetic index is set) is either the beginning of a calendar quarter or the launch date of the share class.

On each Valuation Day, an accrual of performance fee is made when appropriate, and the performance fee is paid where applicable for each class of the Sub-Fund as described below.

The performance fee will be calculated taking into account movements on the capital (adjustments are made for preventing artificial performance fee increase due to the sole increase of outstanding shares in period where the return of the share class exceeds the return of the synthetic index calculated on a prorata temporis basis) and applying the Crystallization Principle<sup>1</sup> so that the performance fee is calculated on the basis of the NAV per share (gross of the share class distributed dividend during the Reference Period – if any) after deduction of all expenses, liabilities, Management Fees (but excluding performance fee) and is adjusted to take into account all subscriptions and redemptions (total outstanding shares). If Shares are redeemed on any day before the last day of the period for which a performance fee is calculated, while provision has been made for performance fee, the performance fees for which provision has been made and which are

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<sup>1</sup> Crystallization Principle: Any accrued positive performance fee will be crystallized when there are redemptions, the proportion of the accrued performance fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV.

attributable to the Shares redeemed will be crystallized and paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

If any, the performance fee will be paid on the basis of the last Net Asset Value per share of the calendar quarter and effectively paid at the beginning of the following one.

Examples of scenarios with performance fee key features:

	1	2	3	4	5	6	7	8
	Reference NAV	Quarter end NAV before Perf Fee	NAV performance	Synthetic Index: 50% of euro short-term rate (€STR) 50% of daily Euribor 1 month	Reference NAV + Synthetic Index	Perf Fee to pay (If 2 > 5)	Payable Perf Fee = (2-5) x 10%	Quarter end NAV post Perf Fee = (2-7)
Calculation period 1	100.00	108.00	8.00%	4.00%	104.00	YES	0.40	107.60
Calculation period 2	107.60	111.00	3.16%	3.00%	110.83	YES	0.02	110.98
Calculation period 3	110.98	111.20	0.20%	0.60%	111.65	NO	0.00	111.20
Calculation period 4	110.98	110.00	-0.88%	-1.20%	109.65	YES	0.04	109.96
Calculation period 5	109.96	110.00	0.04%	0.35%	110.34	NO	0.00	110.00
Calculation period 6	109.96	112.00	1.86%	0.70%	110.73	YES	0.13	111.87

**Rq:** - **Calculation period 4**, there is NAV per Share negative return but the Synthetic Index overperformed, a performance fee is then payable.

- **Calculation period 6**, the synthetic Index to beat is cumulated (period 5 + period 6) as in calculation period 5 there is an underperformance

## Share Classes Fees Schedule:

Class	Fees payable to the Management Company		Investment Management Fee <sup>1</sup>	Depositary Fee <sup>2</sup>	Administrative Agent Fee <sup>3</sup>	Investment Advisory Fee	Domiciliation Fee
	Management Company Fee <sup>4</sup>	Distribution Fee <sup>5</sup>					
R	10 bps up to EUR 300 M then 8 bps above EUR 300M	Up to 0,08%	Up to 0,15%	Up to 0.02% with a minimum of 500 EUR per month	Up to 0.05% with a minimum fee of 2 500EUR per month per Sub-Fund	N/A	5 000EUR per annum for the entire Fund and 1 000EUR per annum per Sub-Fund
I		Up to 0,04%	Up to 0,08%				

### 6. Profile of Typical Investor

The Sub-Fund is suitable for low risk investors who are generally conservative, risk averse and prefer short-term investment horizon.

### 7. Risk Profile

The Sub-Fund is considered as **low risk**. The main risk is the credit risk linked of the counterparties with which the cash deposits are open, strict diversification principles being respected. The liquidity risk of the sub-fund is very low as well due to the short term maturity of the deposits and their capacity to be repaid on demand.

### 8. Minimum Initial Investment, Initial Issue Price, Minimum Holding Amount and Valuation Date

Minimum Initial Investment:

<sup>1</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Investment Management fees are calculated by taking the maximum total fee defined for the Class subtracting Distribution fees. The respective "up to" represents the maximum potential remuneration if/when the distribution fees are not applicable.

<sup>2</sup> Per annum, payable quarterly on the value of the average net assets of the Fund. Sub-custody fees and transaction fees are charged separately. The Depositary fee is paid directly by the Fund to the Depositary.

<sup>3</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Administrative Agent Fee is paid directly by the Fund to the Administrative Agent. The Administrative Agent will also charge transaction fees related to the subscription and redemption of Shares. The Administrative Agent may also charge fees for their additional services (such as, but not limited to calculation of performance fees) as set out in the Central Administration Services Agreement.

<sup>4</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Management Company Fee is paid directly by the Fund to the Management Company.

<sup>5</sup> The Distribution Fees are defined taking in consideration the agreements signed by the Fund.

Class R: EUR 5,000  
Class I: EUR 100,000

Initial Issue Price:  
Class R: EUR 10  
Class I: EUR 1,000

Minimum Holding Amount:  
Class R: EUR 1,000  
Class I: EUR 10,000

The Board of Directors is authorised to waive any requirements relating to the Minimum Initial Investment or Minimum Holding Amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Valuation Date:  
Daily

### ***9. Specific Risk Details***

See Appendix II – Sub-Funds specific risk details

### ***10. Benchmark***

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- performance fee calculation: the Benchmark is used in the framework of the computation of the performance fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

<b>Sub-Fund</b>	<b>Benchmark</b>		<b>Administrator</b>		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Aristea Sicav – Short Term	Euro short-term rate (€STR)	performance fee calculation	EMMI – European Money Markets Institute (European Central Bank)	YES	NO
	Daily Euribor 1 month	performance fee calculation	EMMI – European Money Markets Institute	YES	NO

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## 2. ARISTEA SICAV – CHIRON TOTAL RETURN

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Information contained herein should be read in conjunction with the text in the main part of the Prospectus.

### *1. Investment Manager*

The following entity has been appointed as Investment Manager of this Sub-Fund:

**Banor Capital Ltd**, a company incorporated on 15<sup>th</sup> March 2010 and supervised by the Financial Conduct Authority (FCA) with reference number 523080, having its registered office at 108-110 Jermyn Street, London SW1Y 6EE (UK), has been designated Investment Manager of the above Sub-Fund by means of an agreement dated 19 July 2017, as amended from time to time, with the Management Company, the Investment Manager and the Fund, to provide day-to-day management of the Sub-Funds' investments, subject to the overall supervision and responsibility of the Management Company and the Fund.

### *2. Investment Strategy*

The aim of the Sub-Fund is primarily to invest in a selection of European companies considered undervalued by the Investment Manager after an in-depth analysis of the companies' relevant financial figures and close monitoring of the management and overall corporate policies of the relevant companies.

To this purpose, the Sub-Fund will invest in such equity stocks directly or through a strategy in options, including, but not limited to, short put/covered calls (as detailed below), and in bonds as defined hereunder.

A Put option gives the holder the right to sell an underlying asset at a specified price (the strike price) within a specific time period. The seller (in case of a Short Put strategy) of the put option is obligated to buy the stock at the strike price. Selling a put is a strategy where an investor writes a put contract, and by selling the contract to the put buyer, the investor has sold the right to sell shares at a specific price.

A Call option is an agreement that gives an investor the right (but not the obligation) to buy a stock at a specified price within a specific time period. A Covered call is when the investor has a long position in an asset combined with a short position in a call option on the same underlying asset. A call writer may be required to deliver the stock if the buyer exercises his option.

This kind of investments allows the Sub-Fund to benefit of returns with a low correlation to the equity market, and more inspired to an "absolute return" kind of philosophy. The Management Company puts great emphasis on controlling the Sub-Fund's volatility.

The Sub-Fund is managed with a strict bottom-up value-based approach, with the objective of capital preservation and appreciation over time.

### *3. Investment Objective and Policy*

The investment objective of the Sub-Fund is long term capital appreciation, which the Sub-Fund seeks to achieve, under normal conditions, by investing mainly in:



- transferable securities such as equities and equity-linked instruments, bonds, convertible bonds, warrants on transferable securities and money market instruments of European companies selected by the Investment Manager as further described in the above investment strategy;

The Sub-Fund may secondarily invest worldwide in:

- Exchange Traded Commodities (“ETC”), qualifying as transferable securities within the meaning of articles 41(1) of the 2010 Law, article 2 of the Grand Ducal Regulation of February 8<sup>th</sup> 2008 together with point 17 of the CESR guidelines 07/044 b, and provided that there is no embedded derivatives as per the meaning of article 10 of such regulation. In addition, no physical delivery should be considered.
- Equity and Equity related instruments.
- Bonds, including fixed or floating rates, convertible bonds, zero-coupons, government, corporate and treasury bonds, as well as money market instruments and liquid assets;
- Closed-ended funds, qualifying as transferable securities within the meaning of article 1(34) and 41 (1) of the 2010 Law, article 2 paragraphs 1 and 2 of the Grand Ducal Regulation of February 8<sup>th</sup> 2008, the shares of which are listed/dealt on a Regulated Market.

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in Target Funds including ETFs, qualifying as UCITS or respectively UCIs, as per the meaning of articles 41 (1) e) and 46 of the 2010 Law.

The management fees applying to the Target Funds shall not exceed 3% (three percent).

Depending on market trends, this Sub-Fund’s assets may be fully invested in one single of the above listed asset categories.

Furthermore, the Sub-Fund may invest up to 20% of its net assets in Cocos.

In addition, the Sub-Fund may not invest more than 10% of its net assets in ABS and MBS.

In any case, the Sub-Fund may not cumulatively invest more than 20% of its assets in Cocos, ABS and MBS.

The Sub-Fund may invest up to 10% of its net assets in Structured Products (such Structured Products not consisting of embedded derivatives), or other transferable securities whose returns are linked to the performance of a financial index, transferable securities or a basket of transferable securities, or an undertaking for collective investment.

In addition, the Sub-Fund may hold ancillary liquid assets, in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis subject to the diversification limits.

To comply with the investment policy, the sub-fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and market risk but also for investment purposes to meet the sub-fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives dealt on a regulated market or OTC ("Over the counter").

The underlying of the swap transactions that may be entered into by the sub-fund will be quoted equities and indices depending on the market opportunities without any limitation.

The Sub-Fund may also invest in CFD.

This Sub-Fund is actively managed meaning that the Investment Manager has, subject to the stated investment objectives and policy, discretion over its portfolio, with no reference or constraint to any benchmark.

The Sub-Fund does not promote environmental or social characteristics either and does not have as objective sustainable investment as provided by Articles 8 or 9 of SFDR.

The Sub-Fund currently falls within the scope of Article 6 of SFDR. The Investment Manager has determined that sustainability risks are not currently material to the investment decisions being made in respect of the Sub-Fund, based on its investment strategy and has further determined that sustainability risks are currently not likely to have a material impact on the returns of the Sub-fund. Nevertheless, the Investment Manager will remain committed to the Responsible Investment policy and exclusion lists published on its website. For further details, the Investment Manager's Responsible Investment Policy is available on the Investment Manager's website at the following link.

<https://www.banorcapital.com/wp-content/uploads/2020/03/Responsible-Investments-Policy-1.pdf>.

The Investment Manager does not consider principal adverse impacts of its investment decisions on sustainability factors as the size, the nature and the scale of the activities of the Sub-Fund are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the Sub-Fund is mainly determined by risk factors other than sustainability-related risk factors.

Investments within the Sub-Fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities as set forth in the Taxonomy Regulation.

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

#### ***4. Reference Currency***

EUR

## 5. Available Classes of Shares

Class R – Retail investors  
Registered Shares  
Capitalization and Distribution Shares

Class I – Institutional Investors  
Registered Shares  
Capitalization and Distribution Shares

## 6. Fees

### Fees borne by the Shareholders:

Subscription fee: none  
Redemption fee: none  
Conversion fee: none

### Fees borne by the Sub-Fund:

- i. **Management Company Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- ii. **Distribution Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iii. **Investment Management Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iv. **Depository Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- v. **Administrative Agent Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vi. **Investment Advisory Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vii. **Domiciliation Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;

**Share Classes Fees Schedule:**

Class	Fees payable to the Management Company		Investment Management Fee <sup>1</sup>	Depository Fee <sup>2</sup>	Administrative Agent Fee <sup>3</sup>	Investment Advisory Fee	Domiciliation Fee
	Management Company Fee <sup>4</sup>	Distribution Fee <sup>5</sup>					
R	6 bps with a minimum of EUR 30000 per annum	Up to 1,05%	Up to 1,50%	Up to 0.02% with a minimum of 500 EUR per month	Up to 0.05% with a minimum fee of 2 500EUR per month per Sub-Fund	N/A	5 000EUR per annum for the entire Fund and 1 000EUR per annum per Sub-Fund
I		Up to 0,15%	Up to 1,00%				

<sup>1</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Investment Management fees are calculated by taking the maximum total fee defined for the Class subtracting Distribution fees. The respective “up to” represents the maximum potential remuneration if/when the distribution fees are not applicable.

<sup>2</sup> Per annum, payable quarterly on the value of the average net assets of the Fund. Sub-custody fees and transaction fees are charged separately. The Depository fee is paid directly by the Fund to the Depository.

<sup>3</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund. The Administrative Agent Fee is paid directly by the Fund to the Administrative Agent. The Administrative Agent will also charge transaction fees related to the subscription and redemption of Shares. The Administrative Agent may also charge fees for their additional services (such as, but not limited to calculation of performance fees) as set out in the Central Administration Services Agreement.

<sup>4</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Management Company Fee is paid directly by the Fund to the Management Company.

<sup>5</sup> The Distribution Fees are defined taking in consideration the agreements signed by the Fund.

## **7. Profile of Typical Investor**

This investment may be appropriate for investors seeking long-term capital appreciation. The Sub-Fund is not an appropriate investment for short-term investors or those seeking income.

## **8. Risk Profile**

*Market Risk.* Prices of stocks have historically fluctuated, the net asset value of the Sub-Fund will also fluctuate and investors may not get back the full amount invested.

*Style Risk.* Since the Sub-Fund is not limited to investing in stocks all the time, the Sub-Fund may own significant non-equity instruments in a rising stock market, thereby producing smaller gains than a fund invested solely in stocks. A substantial cash position can impact the Sub-Fund's performance in certain market conditions.

***DISCLAIMER:*** Past performance is not indicative of future results. The price of the Shares may fall as well as rise. Accordingly there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

## **9. Minimum Initial Investment, Initial Issue Price, Minimum Holding Amount and Valuation Date**

Minimum Initial Investment:

Class R: EUR 1,000

Class I: EUR 50,000

Initial Issue Price:

Class R: EUR 10

Class I: EUR 1,000

Minimum Holding Amount:

Class R: EUR 1,000

Class I: EUR 10,000

The Board of Directors is authorised to waive any requirements relating to the Minimum Initial Investment or Minimum Holding Amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Valuation Date:

Daily

## **10. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

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### 3. ARISTEA SICAV – NEW FRONTIERS EQUITY FUND

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Information contained herein should be read in conjunction with the text in the main part of the Prospectus.

#### *1. Investment Manager*

The following entity has been appointed as Investment Manager of this Sub-Fund:

**Banor Capital Ltd**, a company incorporated on 15<sup>th</sup> March 2010 and supervised by the Financial Conduct Authority (FCA) with reference number 523080, having its registered office at 108-110 Jermyn Street, London SW1Y 6EE (UK), has been designated Investment Manager of the above Sub-Funds by means of an agreement dated 19 July 2017, as amended from time to time, with the Management Company, the Investment Manager and the Fund, to provide day-to-day management of the Sub-Funds' investments, subject to the overall supervision and responsibility of the Management Company and the Fund.

#### *2. Investment Objective and Policy*

The aim of the Sub-Fund is to provide capital growth through by investing, directly or indirectly, in equity and equity-related securities of companies domiciled in frontier markets or that exercise a significant part of their economic activity there.

The Sub-Fund will mainly invest either directly or indirectly in equity and equity-related securities (such as, but no limited to, ADRs and GDRs) of companies domiciled in frontier markets or that exercise a significant part of their economic activity there. For the purpose of this Sub-Fund, frontier markets are defined as less advanced and less accessible emerging market countries that are included in Frontier Markets-related indices. The Sub-Fund may also invest in any country which is classified as an Emerging Market, or any other market not yet classified as Frontier Markets, but which, in the opinion of the Investment Manager, demonstrates economic characteristics of countries included in the Frontier Markets-related indices.

Under normal conditions, the Sub-Fund may secondarily invest worldwide in:

- Bonds, including fixed or floating rates, convertible bonds, zero-coupons, government, corporate and treasury bonds, as well as money market instruments and liquid assets;
- Equity and equity related instruments.
- Closed-ended funds, qualifying as transferable securities within the meaning of article 1(34) and 41 (1) of the 2010 Law, article 2 paragraphs 1 and 2 of the Grand Ducal Regulation of February 8<sup>th</sup> 2008, the shares of which are listed/dealt on a Regulated Market.

In order to meet the investment objective of the Sub-Fund set out above, the Sub-Fund may also invest up to 10% of its total net assets in Target Funds including ETFs, qualifying as UCITS or respectively UCIs, as per the meaning of articles 41 (1) e) and 46 of the 2010 Law.

The management fees applying to the Target Funds shall not exceed 3% (three percent).

The Sub-Fund will not directly invest in ABS, MBS or CoCos, indirect exposure may occur from the investment through the Target Funds.

To comply with the investment policy, the sub-fund may use financial derivative instruments, without geographical focus, for the purposes of hedging currency risks, interest rate risk and market risk but also for investment purposes to meet the sub-fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives dealt on a regulated market or OTC ("Over the counter").

The underlying of the swap transactions that may be entered into by the sub-fund will be quoted equities and indices depending on the market opportunities without any limitation.

The Sub-Fund may also invest in CFD.

This Sub-Fund is actively managed meaning that the Investment Manager has, subject to the stated investment objectives and policy, discretion over its portfolio, with no reference or constraint to any benchmark.

The Sub-Fund does not promote environmental or social characteristics either and does not have as objective sustainable investment as provided by Articles 8 or 9 of SFDR.

The Sub-Fund currently falls within the scope of Article 6 of SFDR. The Investment Manager has determined that sustainability risks are not currently material to the investment decisions being made in respect of the Sub-Fund, based on its investment strategy and has further determined that sustainability risks are currently not likely to have a material impact on the returns of the Sub-fund. Nevertheless, the Investment Manager will remain committed to the Responsible Investment policy and exclusion lists published on its website. For further details, the Investment Manager's Responsible Investment Policy is available on the Investment Manager's website at the following link.

<https://www.banorcapital.com/wp-content/uploads/2020/03/Responsible-Investments-Policy-1.pdf>.

The Investment Manager does not consider principal adverse impacts of its investment decisions on sustainability factors as the size, the nature and the scale of the activities of the Sub-Fund are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the Sub-Fund is mainly determined by risk factors other than sustainability-related risk factors.

Investments within the Sub-Fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities as set forth in the Taxonomy Regulation.

In addition, the Sub-Fund may hold ancillary liquid assets, in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund.

The tables below specify the maximum and expected proportion of the Sub-Fund's net assets that can be subject to securities financing transactions for the purposes of the Securities Financing Transaction Regulation 2015 (2015/2365).

For the time being, the Sub-Fund will not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions as foreseen under SFTR.

The Investment Manager intends to invest in TRS on a continuous basis. Under normal circumstances, the expected proportion of the Sub-Fund's net assets invested in TRS will remain around 20%. This expected proportion is not a limit, and the actual percentage may vary over time depending on several factors including, but not limited to, market conditions or opportunities (e.g. to add leverage to the Sub-Fund using margin based products, for tax efficiency in some markets where there is significant tax benefits to trade swaps). The maximum figure is however a limit.

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	50%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	20%

### 3. *Reference Currency*

USD

### 4. *Available Classes of Shares*

Class R – Retail investors

Registered Shares

Capitalization Shares

The Shares of Class R shall be available in USD and EUR

Class I – Institutional Investors

Registered Shares

Capitalization Shares

The Shares of Class I shall be available in USD and EUR

Class S – Reserved to individuals or corporate entities discretionary accepted by the Fund or the Management Company.

Registered Shares

Capitalization Shares

The Shares of Class S shall be available in USD

Class Z – Reserved to Institutional Investors selected by the Board of Directors

Registered Shares

Capitalization Shares

The Shares of Class Z shall be available in EUR



Class J – Retail investors  
Registered Shares  
Capitalization Shares  
The Shares of Class J shall be available in GBP

## 5. Fees

### Fees borne by the Shareholders:

For share classes R, I, S and Z  
Subscription fee: up to 3%  
Redemption fee: up to 3%  
Conversion fee: none

For share class J:  
Subscription fee: none  
Redemption fee: none  
Conversion fee: none

### Fees borne by the Sub-Fund:

- i. **Management Company Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- ii. **Distribution Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iii. **Investment Management Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iv. **Depository Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- v. **Administrative Agent Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vi. **Investment Advisory Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vii. **Domiciliation Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- viii. **Performance Fee:**

As long as the outperformance of the return of the share class over the return of the FTSE Frontier Index in USD (Ticker Bloomberg: FTSEFII Index) is higher than the Outperformance High Water Mark<sup>1</sup> (No performance fee otherwise), the performance fee will amount:

- On Class R (EUR and USD): Up to 15% of the share class outperformance that exceeds the Outperformance High Water Mark;
- On Class I (EUR and USD): Up to 10% of the share class outperformance that exceeds the Outperformance High Water Mark;
- No performance fee on Classes S, J and Z.

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<sup>1</sup> **Outperformance High Water Mark (“Outperformance HWM”)**: The highest historical outperformance of the relevant Class compared with its benchmark index in respect of which outperformance a performance fee was last paid or payable to the Investment Manager.

The Outperformance High Water Mark is calculated as follows:

A: Performance of the relevant share class since its launch

B: Performance of the Benchmark Index over the same period that the relevant share class

Outperformance HWM = A – B under the condition A > B (No outperformance High Water Mark otherwise)

The performance fee is also due when the outperformance of the return of the share class over the return of the FTSE Frontier Index in USD (Ticker Bloomberg: FTSEFII Index) is higher than the Outperformance High Water Mark whereas the return of the share class is negative.

The Investment Manager is entitled to receive from the Fund 100% of such performance fee.

The performance fee is calculated at the level of each Fund Share Class which means its performance can differ from investors' shares performance according to the date(s) of their subscription(s) within the calculation period.

The performance reference period starts at the launch date of the share class and goes through the lifetime of the fund with calendar quarter calculation periods.

There is no possibility of reset of the Outperformance HWM so, the performance fee cannot be accrued or paid more than once for the same level of performance over the whole life of the fund.

On each Valuation Day, an accrual of performance fee is made when appropriate, and the performance fee is paid where applicable for each class of the Sub-Fund as described below.

The performance fee will be calculated taking into account movements on the capital (adjustments are made for preventing artificial performance fee increase due to the sole increase of outstanding shares in period where the outperformance of the share class is higher than the existing Outperformance HWM) and applying the Crystallization Principle<sup>1</sup> so that the performance fee is calculated on the basis of the NAV (gross of the share class distributed dividend during the Reference Period – if any) after deduction of all expenses, liabilities, Management Fees (but excluding performance fee) and is adjusted to take into account all subscriptions and redemptions (total outstanding shares). If Shares are redeemed on any day before the last day of the period for which a performance fee is calculated, while provision has been made for performance fee, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be crystallized and paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

If any, the performance fee will be paid on the basis of the last Net Asset Value per share of the calendar quarter and effectively paid at the beginning of the following one.

Examples of scenarios with performance fee key features (with 10% rate):

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<sup>1</sup> **Crystallization Principle:** Any accrued positive performance fee will be crystallized when there are redemptions, the proportion of the accrued performance fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV.

	1	2	3	4	5	6	7	8
	NAV per share price at launch	Quarter end NAV before Perf Fee	NAV performance (Col. 2 versus Col. 1)	(FTSE Frontier Index in USD) Index performance since share class launch	Outperformance of the share class versus the Index performance (Col. 3 - Col. 4)	Outperformance HWM	Perf Fee to pay (If Col. 3 > Col. 4) & (If Col. 5 > Col. 6)	If Col. 7 "YES", Payable Perf Fee = ((Col. 5 - Col. 6) x Col. 2) x 10% otherwise "0"
Calculation period 1	100.00	102.00	2.00%	2.50%	-0.50%	0.00	NO	0.00
Calculation period 2	100.00	104.00	4.00%	3.00%	1.00%	0.00%	YES	0.10
Calculation period 3	100.00	103.00	3.00%	1.50%	1.50%	1.00%	YES	0.05
Calculation period 4	100.00	102.00	2.00%	0.90%	1.10%	1.50%	NO	0.00
Calculation period 5	100.00	100.50	0.50%	1.50%	-1.00%	1.50%	NO	0.00
Calculation period 6	100.00	99.00	-1.00%	-3.00%	2.00%	1.50%	YES	0.05
Calculation period 7	100.00	103.00	3.00%	0.80%	2.20%	2.00%	YES	0.02
Calculation period 8	100.00	103.50	3.50%	1.00%	2.50%	2.20%	YES	0.03

**Rq:** - Calculation period 6, although the performance of the NAV is negative, it outperforms the index and the outperformance is also higher than the Outperformance HWM, a performance fee is then payable

**Share Classes Fees Schedule:**

Class	Fees payable to the Management Company Fee		Investment Management Fee <sup>1</sup>	Depository Fee <sup>2</sup>	Administrative Agent Fee <sup>3</sup>	Investment Advisory Fee	Domiciliation Fee
	Management Company Fee <sup>4</sup>	Distribution Fee <sup>5</sup>					
R USD	15 bps with a minimum of EUR 24000 per annum up to EUR 100 M then 5 bps above 100 M	Up to 1,60%	Up to 2,20%	Up to 0.02% with a minimum of 500 EUR per month	Up to 0.05% with a minimum fee of 2 500EUR per month per Sub-Fund	N/A	5 000EUR per annum for the entire Fund and 1 000EUR per annum per Sub-Fund
R EUR		Up to 1,60%	Up to 2,20%				
I USD		Up to 0.15%	Up to 1,50%				
I EUR		Up to 0.15%	Up to 1,50%				

<sup>1</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Investment Management fees are calculated by taking the maximum total fee defined for the Class subtracting Distribution fees. The respective “up to” represents the maximum potential remuneration if/when the distribution fees are not applicable.

<sup>2</sup> Per annum, payable quarterly on the value of the average net assets of the Fund. Sub-custody fees and transaction fees are charged separately. The Depository fee is paid directly by the Fund to the Depository.

<sup>3</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Administrative Agent Fee is paid directly by the Fund to the Administrative Agent. The Administrative Agent will also charge transaction fees related to the subscription and redemption of Shares. The Administrative Agent may also charge fees for their additional services (such as, but not limited to calculation of performance fees) as set out in the Central Administration Services Agreement.

<sup>4</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Management Company Fee is paid directly by the Fund to the Management Company.

<sup>5</sup> The Distribution Fees are defined taking in consideration the agreements signed by the Fund.

J GB P		Up to 0,60%	Up to 0,80%				
S US D		Up to 0,70%	Up to 1,00%				
Z EU R		Up to 0,15%	Up to 0,50%				

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

This investment may be appropriate for investors seeking long-term capital appreciation. The Sub-Fund is not an appropriate investment for short-term investors or those seeking income.

## **7. Risk Profile**

*Market Risk:* Prices of stocks have historically fluctuated, the net asset value of the Sub-Fund will also fluctuate and investors may not get back the full amount invested.

*Style Risk:* Since the Sub-Fund is not limited to investing in stocks all the time, the Sub-Fund may own significant non-equity instruments in a rising stock market, thereby producing smaller gains than a fund invested solely in stocks. A substantial cash position can impact the Sub-Fund's performance in certain market conditions.

***DISCLAIMER:*** Past performance is not indicative of future results. The price of the Shares may fall as well as rise. Accordingly there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

## **8. Minimum Initial Investment, Initial Issue Price, Minimum Holding Amount and Valuation Date**

Minimum Initial Investment:

Class R: USD 5,000/EUR 5,000

Class I: USD 100,000/EUR 100,000

Class J: None

Class S: USD 1,000,000

Class Z: EUR 1 Million

Initial Issue Price:

Class R: USD 10/EUR 10

Class I: USD 100/EUR 100

Class J: GBP 100

Class S: USD 1,000

Class Z: EUR 10

Minimum Holding Amount:

Class R: USD 1,000/EUR 1,000

Class I: USD 10,000/EUR 10,000

Class J: None

Class S: USD 250,000

Class Z: N/A

The Board of Directors is authorised to waive any requirements relating to the Minimum Initial Investment or Minimum Holding Amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Valuation Date:

Daily, any full bank business day in Luxembourg with the additional condition that no more than one third of the market value of the portfolio is affected by the closure of the exchange markets.

**9. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details

**10. Benchmarks**

The below table stipulates the name of the Benchmark and for which purpose it is used by the Sub-Fund:

- performance fee calculation: the Benchmark is used in the framework of the computation of the performance fee.

In addition, the below table provides further details as regards the Administrator of the Benchmark, its name, and whether the Administrator is listed in the Benchmark Register or intends to do so within the limit of the Transitional Period as set forth in the BMR.

Sub-Fund	Benchmark		Administrator		
	Name	Purpose of the use	Name	Included in the Benchmark Register (YES/NO)	Benefits from the Transitional Period
Aristea Sicav – New Frontiers Equity Fund	FTSE Frontier Index	performance fee calculation	FTSE International Limited	YES	N/A

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## 4. ARISTEA SICAV– FIM GEM DEBT FUND

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Information contained herein should be read in conjunction with the text in the main part of the Prospectus and the Appendices.

### *1. Investment Manager*

The following entity has been appointed as Investment Manager of this Sub-Fund:

**FIM Partners UK Ltd**, a company incorporated on 17 July 2019 and supervised by the Financial Conduct Authority (FCA) with reference number 846596, having its registered office at Suite 1, 7<sup>th</sup> Floor, 50 Broadway, London, SW1H 0BL (UK), has been designated Investment Manager of the above Sub-Fund by means of an agreement dated 4 October 2020, as amended from time to time, with the Management Company, the Investment Manager and the Fund, to provide day-to-day management of the Sub-Funds' investments, subject to the overall supervision and responsibility of the Management Company and the Board of Directors.

### *2. Investment Strategy*

The Sub Fund aims to gain its main exposure and seeking investment opportunities in fixed income products exposed to global emerging markets and frontier markets. The term “GEM” in the name of the Sub-Fund refers to “global emerging markets” (and frontier markets sub-set).

For the purpose of this Sub-Fund, global emerging market and frontier market countries are defined as countries that are progressing toward becoming advanced through increased production, development of regulatory bodies and exchanges. The Investment Manager has discretion to determine in which countries the Sub-Fund is invested provided that those countries are classified as “*emerging market and developing economies*” by the International Monetary Fund, including China and Russia (herein after refer to the “*Global Emerging Market Countries*”).

The Investment Manager will adopt a fundamentally based strategy developed through a macro economic and quantitative research framework, included, first, Investment Manager's high-conviction, filtering the global emerging markets and frontier markets universe, second, unconstrained, choosing the best expression of risk between global emerging markets and frontier markets credit, rates and forex, without consideration of any benchmarks, and, third, fundamentally based, focusing on improving credits and capital preservation through comprehensive on the ground research.

The portfolio is anchored to Hard Currencies debt but can dynamically allocate to Local Currencies debt product, finding the best expression of risk, given the fundamental views of the Investment Manager.

The Sub-Fund promotes environmental and social characteristics within the scope of Article 8 of SFDR. Information about the environmental and social characteristics promoted by the Sub-Fund is available in Appendix III “*Sub-Funds SFDR and Taxonomy Disclosures*”. The Sub-Fund does not have as its objective a sustainable investment according to Article 9 of SFDR.



The exclusionary and scoring approach, as further set out in Annex III contribute to a reduction in sustainability risks and improvement on expected returns.

Through scoring and through an exclusionary approach of certain sectors, exposure to specific risk factors is eliminated. Moreover, the analysis on single issuers will increase the discount rate for companies with a higher-than-average sustainability risk, requesting a higher expected return to be added in the portfolio and adjusting the corresponding weight. The combination of both will contribute to improved expected returns and reduce sustainability risks.

For further details, the Investment Manager's Responsible Investment Policy is available on the Investment Manager's website at the following link: <https://www.fimpartners.com/fim-content/uploads/Responsible-Investment-Policy.pdf>

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

The objective of the Sub-Fund is to achieve a combination of income and capital growth by investing at least 51% of the net assets of the Sub-Fund in fixed income and debt securities of issuers located in *Global Emerging Market Countries* or having a significant proportion of their economic activities deriving from those countries (within the following limits: up to 20% maximum of the net assets of the Sub-Fund in Chinese debt securities traded on the Chinese Interbank Bond Market or Bond Connect; and up to 20% maximum of the net assets of the Sub-Fund in Russian debt securities traded on the Moscow stock exchange). The Investment Manager has also the opportunity to invest up to 30% maximum of the Sub-Fund's net assets in fixed income and debt securities of countries classified as "*advanced economies*" by the International Monetary Fund, as further defined below.

For the purpose of its objective, fixed income and debt securities should be defined as a broad range of fixed and floating rate bonds, included but not limited to debt securities of varying maturities with no specific constraints in terms of size or sectorial allocation (excluding commodities), convertible bonds (up to 20% maximum of the net assets of the Sub-Fund), zero-coupons, treasury bonds, as well as money market instruments issued by sovereign or corporate issuers (including government-owned or partially government-owned corporation) selected by the Investment Manager, with a minimum rating equal to CCC or above by Standard & Poor's and/or equivalent if rated by other ratings agencies. In the event of downgrade, the Investment Manager will take the interest of the shareholders, the current market conditions and its own analysis into account in order to determine whether or not he will keep the securities into the Sub-Fund's portfolio, always in respect with the limits as set-out in the Prospectus. At the time of the purchase, up to 20% of the Sub-Fund's net assets may be invested in non-rated fixed income and debt securities.

Furthermore at least 51% of the net assets of the Sub-Fund will be invested in securities denominated in Hard Currencies, and up to 49% maximum of its net assets may be invested in debt securities denominated in Local Currencies.

In addition,

The Sub-Fund may also invest:

- Up to 49% Into Money Market Instruments;

- Up to 10% of the assets of the Sub-Fund may be invested in Shares and other equity securities including equity rights deriving from conversions of debt securities or claims, as well as from restructuring measures by issuers.
- Up to 20% of its net assets in Structured Products (which do not consist of embedded derivatives), or other transferable securities whose returns are linked to the performance of a financial index, transferable securities or a basket of transferable securities, or an undertaking for collective investment.

In order to meet the investment objective of the Sub-Fund set out above, up to 10% of the total net assets of the Sub-Fund may be invested in Target Funds without any geographical or sectorial allocation. The management fees applying to the Target Funds shall not exceed 2% (two percent).

The Sub-Fund does not seek to invest in asset-backed securities (“ABS”), mortgage-backed securities (“MBS”) or CoCos. Nevertheless, indirect exposure limited to a residual part of the assets of the Sub-Fund may occur from the investment in the eligible Target Funds.

In addition, the Sub-Fund may hold ancillary liquid assets, in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of the Sub-Fund's net assets in cash, liquid assets or money market instruments on a temporary basis subject to the diversification limits.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and credit and equity market risk but also for investment purposes to meet the Sub-Fund’s investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency, equity and credit derivatives dealt on a regulated market or OTC (“Over the counter”).

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

#### **4. Reference Currency**

USD

#### **5. Available Classes of Shares**

All share classes denominated in a currency different than the Reference Currency will be hedged.

Class R – Retail investors

Registered Shares

Capitalization and Distribution Shares

The Shares of Class R shall be available in USD, GBP, CHF and EUR

Class I1 – Institutional Investors

Registered Shares

Capitalization and Distribution Shares

The Shares of Class I shall be available in USD, GBP, CHF and EUR

Class I2 – Institutional Investors

Registered Shares

Capitalization Shares

The Shares of Class I2 shall be available in USD, GBP, CHF and EUR

Class S – Reserved to individuals or corporate entities discretionary accepted by the Fund or the Management Company.

Registered Shares

Capitalization Shares

The Shares of Class S shall be available in USD, GBP, CHF and EUR

Class S2 – Reserved to individuals or corporate entities discretionary accepted by the Fund or the Management Company.

Registered Shares

Capitalization Shares

The Shares of Class S2 shall be available in USD, GBP, CHF and EUR

Class Z – Reserved to Institutional Investors selected by the Board of Directors

Registered Shares

Capitalization Shares

The Shares of Class Z shall be available in USD, GBP, CHF and EUR

Class Z2 – Reserved to Institutional Investors selected by the Board of Directors

Registered Shares

Capitalization Shares

The Shares of Class Z2 shall be available in USD, GBP, CHF and EUR

## **6. Fees**

### **Fees borne by the Shareholders:**

Subscription fee: none

Redemption fee: none

Conversion fee: none

### **Fees borne by the Sub-Fund:**

- i. **Management Company Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- ii. **Distribution Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iii. **Investment Management Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- iv. **Depository Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- v. **Administrative Agent Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vi. **Investment Advisory Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- viii. **Domiciliation Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- ix. **Platform Provider Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- vii. **Performance Fee:**

**Applicable to share classes R, I1, S and Z, share classes I2, S2 and Z2 have no performance fee**

The performance fee will amount 10% of the difference between the year-end NAV per Share and the reference NAV per share under the double condition the return of the NAV per share exceeds the Hurdle Rate of 4% (prorata temporis basis and yearly reset) and the NAV per Share is also higher than the High Water Mark<sup>1</sup>.

The performance fee is calculated at the level of each Fund Share Class which means its performance can differ from investors’ shares performance according to the date(s) of their subscription(s) within the reference period.

The Investment Manager is entitled to receive from the Fund 100% of such performance fee.

The reference NAV is either the initial Net Asset Value per Share at the launch date or the previous year end Net Asset Value per Share.

The start of the reference period (yearly – calendar year) is either the beginning of the calendar year or the launch date of the share class.

On each Valuation Day, an accrual of performance fee is made when appropriate, and the performance fee is paid where applicable for each class of the Sub-Fund as described.

In addition, the performance fee will be calculated taking into account movements on the capital (adjustments are made for preventing artificial performance fee increase due to the sole increase of outstanding shares in period where the share class is in outperformance area) and applying the Crystallization Principle<sup>2</sup> so that the performance fee is calculated on the basis of the NAV (gross of the share class

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<sup>1</sup> **High Water Mark:** Highest historical Net Asset Value per share of the relevant Class as of the end of most recent reference period for which a performance fee was paid or payable to the Investment Manager, or if no performance fee has been paid since the inception, then the initial Net Asset Value per share of such share class of the sub-fund.

<sup>2</sup> **Crystallization Principle:** Any accrued positive performance fee will be crystallized when there are redemptions, the proportion of the accrued performance fee applicable to the redemption will be crystallized, i.e. become payable (or

distributed dividend during the Reference Period – if any) after deduction of all expenses, liabilities, and Management Fees (but excluding performance fee), and is adjusted to take account of all subscriptions and redemptions (total outstanding shares). If Shares are redeemed on any day before the last day of the period for which a performance fee is calculated, while provision has been made for performance fee, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized are taken into account in the calculation and payment of performance fees.

The performance fee which can neither lead the NAV per share return below the Hurdle nor the year end NAV per share below the HWM (performance fee doubly capped), will be paid after the end of the calendar year end on the value of the last NAV calculated during the reference period.

Examples of scenarios with performance fee **key features**:

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Reference NAV	Year end NAV before Perf Fee	NAV performance	HWM	Hurdle Rate	Reference NAV + Hurdle Rate	Perf Fee to pay	Theoretical Gross Payable Perf Fee = (2-1) x 10%	Theoretical NAV post Perf Fee = 2 - 8	Applicable HWM cap (if 9 < 4)	Applicable Hurdle cap (if 9 < 6)	Capped Payable Perf Fee	Year end NAV post Perf Fee
Calculation period 1	100	110	10%	100	4%	104	YES	1.00	109	NO	NO	n.a	109.00
Calculation period 2	109	110.98	1.82%	109	4%	113.36	NO	n.a	n.a	NO	NO	n.a	110.98
Calculation period 3	110.98	103.06	-7.14%	109	4%	115.42	NO	n.a	n.a	NO	NO	n.a	103.06
Calculation period 4	103.06	108.21	5%	109	4%	107.18	NO	n.a	n.a	NO	NO	n.a	108.21
Calculation period 5	108.21	118.91	9.89%	109	4%	112.54	YES	1.07	117.84	NO	NO	n.a	117.84
Calculation period 6	117.84	120.79	2.50%	117.84	4%	122.55	NO	n.a	n.a	NO	NO	n.a	120.79
Calculation period 7	120.79	125.63	4.01%	117.84	4%	125.62	YES	0.48	125.15	NO	YES	0.01	125.62
Calculation period 8	125.62	108.02	-14.01%	125.62	4%	130.64	NO	n.a	n.a	NO	NO	n.a	108.02
Calculation period 9	108.02	118.82	10%	125.62	4%	112.34	NO	n.a	n.a	NO	NO	n.a	118.82
Calculation period 10	118.82	125.7	5.79%	125.62	4%	123.57	YES	0.69	125.01	YES	NO	0.08	125.62

will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV.

**Share Classes Fees Schedule:**

Class	Fees payable to the Management Company		Investment Management Fee <sup>1</sup>	Depository Fee <sup>2</sup>	Administrative Agent Fee <sup>3</sup>	Investment Advisory Fee	Platform Provider Fee <sup>4</sup>	Domiciliation Fee
	Management Company Fee <sup>5</sup>	Distribution Fee <sup>6</sup>						
R USD	Below EUR 200M: 6 bps Above EUR 200M: 5 bps With a monthly minimum of EUR 3000	Up to 1%	Up to 1,75%	Up to 0.02% with a minimum of 500 EUR per month	Up to 0.05% with a minimum fee of 2 500EUR per month per Sub-Fund	N/A	Up to 0.10%	5 000EUR per annum for the Sub-Fund
R GBP		Up to 1%	Up to 1,75%					
R CHF		Up to 1%	Up to 1,75%					
R EUR		Up to 1%	Up to 1,75%					
I1 USD		Up to 0,15%	Up to 0,95%					
I1 GBP		Up to 0,15%	Up to 0,95%					
I1 CHF		Up to 0,15%	Up to 0,95%					

<sup>1</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Investment Management fees are calculated by taking the maximum total fee defined for the Class subtracting Distribution fees. The respective “up to” represents the maximum potential remuneration if/when the distribution fees are not applicable.

<sup>2</sup> Per annum, payable quarterly on the value of the average net assets of the Fund. Sub-custody fees and transaction fees are charged separately. The Depository fee is paid directly by the Fund to the Depository.

<sup>3</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Administrative Agent Fee is paid directly by the Fund to the Administrative Agent. The Administrative Agent will also charge transaction fees related to the subscription and redemption of Shares. The Administrative Agent may also charge fees for their additional services (such as, but not limited to calculation of performance fees) as set out in the Central Administration Services Agreement.

<sup>4</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Servicing Fee is paid directly by the Fund to Banor Capital Ltd.

<sup>5</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Management Company Fee is paid directly by the Fund to the Management Company.

<sup>6</sup> The Distribution Fees are defined taking in consideration the agreements signed by the Fund.

I1 EUR		Up to 0,15%	Up to 0,95%					
I2 USD		Up to 0,15%	Up to 1,25%					
I2 GBP		Up to 0,15%	Up to 1,25%					
I2 CHF		Up to 0,15%	Up to 1,25%					
I2 EUR		Up to 0,15%	Up to 1,25%					
S USD		Up to 0,40%	Up to 0,65%					
S GBP		Up to 0,40%	Up to 0,65%					
S CHF		Up to 0,40%	Up to 0,65%					
S EUR		Up to 0,40%	Up to 0,65%					
S2 USD		Up to 0,55%	Up to 0,95%					
S2 GBP		Up to 0,55%	Up to 0,95%					
S2 CHF		Up to 0,55%	Up to 0,95%					
S2 EUR		Up to 0,55%	Up to 0,95%					
Z USD		Up to 0,15%	Up to 0,60%					
Z GBP		Up to 0,15%	Up to 0,60%					
Z CHF		Up to 0,15%	Up to 0,60%					
Z EUR		Up to 0,15%	Up to 0,60%					
Z2 USD		Up to 0,15%	Up to 0,85%					
Z2 GBP		Up to 0,15%	Up to 0,85%					

Z2 CHF		Up to 0,15%	Up to 0,85%					
Z2 EUR		Up to 0,15%	Up to 0,85%					

### 7. Profile of Typical Investor

The Sub-Fund may be suitable for investors seeking long term capital and income growth by investing in emerging market bonds securities.

The Sub-Fund is not an appropriate investment for short-term investors.

### 8. Risk Profile

The risks listed below are the main risks of the Sub-Fund. Investors should be aware that other risks may also be relevant to this Sub-Fund from time to time. Please refer to the Section headed “Risk Factors” of the Prospectus for a full description of these risks.

- Counterparty risk;
- Fixed Income Securities risk
- Derivative Instruments risk;
- Emerging Markets risk;
- Equity risk;
- Currency risk;
- Frontier Markets risk;
- Liquidity risk;
- Market risk;
- CIBM risk.

Furthermore the Sub-Fund is actively managed and rely on the skill, expertise and judgement of the Investment Manager. There is no guarantee that the investment decisions made by the Investment Manager or any investment processes, techniques or models used will produce the desired results.

**DISCLAIMER:** Past performance is not indicative of future results. The price of the Shares may fall as well as rise. Accordingly there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

### 9. Minimum Initial Investment, Initial Issue Price, Minimum Holding Amount and Valuation Date

Minimum Initial Investment:

Class R USD: USD 5,000

Class I1 USD: USD 100,000

Class I2 USD: USD 100,000

Class S USD: USD 10 Million

Class S2 USD: USD 10 Million

Class Z USD: USD 25 Million



Class Z2 USD: USD 25 Million

Class R GBP: GBP 5,000

Class I1 GBP: GBP 100,000

Class I2 GBP: GBP 100,000

Class S GBP: GBP 10 Million

Class S2 GBP: GBP 10 Million

Class Z GBP: GBP 25 Million

Class Z2 GBP: GBP 25 Million

Class R CHF: CHF 5,000

Class I1 CHF: CHF 100,000

Class I2 CHF: CHF 100,000

Class S CHF: CHF 10 Million

Class S2 CHF: CHF 10 Million

Class Z CHF: CHF 25Million

Class Z2 CHF: CHF 25 Million

Class R EUR: EUR 5,000

Class I1 EUR: EUR 100,000

Class I2 EUR: EUR 100,000

Class S EUR: EUR 10 Million

Class S2 EUR: EUR 10 Million

Class Z EUR: EUR 25 Million

Class Z2 EUR: EUR 25 Million

Initial Issue Price:

Class R USD: USD 100

Class I1 USD: USD 1,000

Class I2 USD: USD 1,000

Class S USD: USD 100

Class S2 USD: USD 100

Class Z USD: USD 1,000

Class Z2 USD: USD 1,000

Class R GBP: GBP 100

Class I1 GBP: GBP 1,000

Class I2 GBP: GBP 1,000

Class S GBP: GBP 100

Class S2 GBP: GBP 100

Class Z GBP: GBP 1,000

Class Z2 GBP: GBP 1,000

Class R CHF: CHF 100

Class I1 CHF: CHF 1,000

Class I2 CHF: CHF 1,000

Class S CHF: CHF 100

Class S2 CHF: CHF 100

Class Z CHF: CHF 1,000  
Class Z2 CHF: CHF 1,000

Class R EUR: EUR 100  
Class I1 EUR: EUR 1,000  
Class I2 EUR: EUR 1,000  
Class S EUR: EUR 100  
Class S2 EUR: EUR 100  
Class Z EUR: EUR 1,000  
Class Z2 EUR: EUR 1,000

Minimum Holding Amount:  
Class R USD: USD 5,000  
Class I1 USD: USD 100,000  
Class I2 USD: USD 100,000  
Class S USD: USD 100,000  
Class S2 USD: USD 100,000  
Class Z USD: N/A  
Class Z2 USD: N/A

Class R GBP: GBP 5,000  
Class I1 GBP: GBP 100,000  
Class I2 GBP: GBP 100,000  
Class S GBP: GBP 100,000  
Class S2 GBP: GBP 100,000  
Class Z GBP: N/A  
Class Z2 GBP: N/A

Class R CHF: CHF 5,000  
Class I1 CHF: CHF 100,000  
Class I2 CHF: CHF 100,000  
Class S CHF: CHF 100,000  
Class S2 CHF: CHF 100,000  
Class Z CHF: N/A  
Class Z2 CHF: N/A

Class R EUR: EUR 5,000  
Class I1 EUR: EUR 100,000  
Class I2 EUR: EUR 100,000  
Class S EUR: EUR 100,000  
Class S2 EUR: EUR 100,000  
Class Z EUR: N/A  
Class Z2 EUR: N/A

The Board of Directors is authorised to waive any requirements relating to the Minimum Initial Investment or Minimum Holding Amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Valuation Date:  
Daily

***10. Initial Offering Period***

The Sub-Fund will be launched upon first subscription in the Sub-Fund at any moment upon decision of the Board of Directors

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## 5. ARISTEA SICAV– MIXED ALLOCATION

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Information contained herein should be read in conjunction with the text in the main part of the Prospectus.

### *1. Investment Manager*

The following entity has been appointed as Investment Manager of this Sub-Fund:

**Banor Capital Ltd**, a company incorporated on 15<sup>th</sup> March 2010 and supervised by the Financial Conduct Authority (FCA) with reference number 523080, having its registered office at 108-110 Jermyn Street, London SW1Y 6EE (UK), has been designated Investment Manager of the above Sub-Funds by means of an agreement dated 19 July 2017, as amended from time to time, with the Management Company, the Investment Manager and the Fund, to provide day-to-day management of the Sub-Funds' investments, subject to the overall supervision and responsibility of the Management Company and the Fund.

### *2. Investment Objective and Strategy*

The aim of the Sub-Fund is to provide capital growth through a strategic allocation between debt securities and equities, with no specific constraints in terms of size or sectorial allocation (excluding commodities). The Sub-Fund's exposure to fixed income and debt securities will predominantly be to high yield securities as further defined below.

In terms of geographic and currency constraints, the Sub-Fund will mainly invest in debt securities and equities issued by companies that are domiciled or conduct most of their business in Europe and United-Kingdom or denominated in Euro.

For the selection of the securities, the Investment Manager applies a value approach aiming at identifying undervalued securities after an in-depth analysis of the companies' relevant financial figures and close monitoring of the management and overall corporate policies of the relevant companies. Quantitative indicators that are available for each stock in the investment universe are analysed and used by the Investment Manager to evaluate the relative attractiveness of each stock.

The Investment Manager actively manages the allocation between debt securities and shares, or other equity-related securities following its own conviction. The targeted balance between bonds and equities being 70% in bonds and 30% in equities, however the Investment Manager may, at its own discretion, overweight or underweight this allocation between equities and bonds whenever the attractiveness of the former increases with respect to the latter. Attractiveness is measured with respect to the historical standard based on dividend yield for equities and yield for bonds.

The Sub-Fund promotes environmental and social characteristics within the scope of Article 8 of SFDR. Information about the environmental and social characteristics promoted by the Sub-Fund is available in Appendix III "*Sub-Funds SFDR and Taxonomy Disclosures*". The Sub-Fund does not have as its objective a sustainable investment according to Article 9 of SFDR.

As set out in Annex III, the Investment Managers applies an exclusion list and ESG analysis to the portfolio. The exclusion of some sectors will reduce the sustainability risks by eliminating the exposure to those

specific risk factors. Moreover, the analysis on single issuers will increase the discount rate for companies with a higher-than-average sustainability risk, requesting a higher expected return to be added in the portfolio and adjusting the corresponding weight. The combination of both will contribute to improve expected returns and reduce sustainability risks.

For further details, the Investment Manager's Responsible Investment Policy is available on the Investment Manager's website at the following link.

<https://www.banorcapital.com/wp-content/uploads/2020/03/Responsible-Investments-Policy-1.pdf>.

### 3. *Investment Policy*

To achieve its objective, the Sub-Fund will invest, at least 60% of its net assets, in a broad range of debt securities, included but not limited to, fixed and floating rate bonds, convertible bonds (up to 10% of its net assets, excluding financial CoCos), zero-coupons, treasury bonds, as well as money market instruments issued by sovereign or corporate issuers (including government-owned or partially government-owned corporation).

The Investment Manager will invest a maximum of 70% of the Sub-Fund net assets in high yield bonds, being securities with a rating equal to BB+ or below by Standard & Poor's and/or equivalent if rated by other ratings agencies ("**High Yield Securities**").

The Sub-Fund may also invest, up to 40% of its net assets, in equity or equity related instruments listed on European stock exchanges. In order to reduce the volatility and/or increase portfolio yield, the Investment Manager may buy or sell put and call options, both on indices and on single stocks.

In addition, the Sub-Fund may not invest more than 10% of its net assets in ABS and MBS.

In addition, the Sub-Fund may hold ancillary liquid assets, in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis subject to the diversification limits.

To comply with the investment policy, the sub-fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and market risk but also for investment purposes to meet the sub-fund's investment objective.

Any investment in a currency different from EUR will be hedged with forward transactions (with a maturity of around 3 months or less). Hedging transactions will be aimed at reducing most of foreign exchange risk, while avoiding excessive turnover. This may result in some residual foreign exchange risk.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives dealt on a regulated market or OTC ("Over the counter").

The underlying of the swap transactions that may be entered into by the sub-fund will be quoted equities and indices depending on the market opportunities without any limitation.  
The Sub-Fund may also invest in CFD.

The Sub-Fund will, for the time being, not enter into SFTs such as repurchase and reverse repurchase agreements or engage in securities lending transactions or other transactions – including total return swaps - foreseen under SFTR. Should the Board of Directors of the Fund decide to use such techniques and instruments in the future for this Sub-Fund, the Board of Directors of the Fund will update this Prospectus accordingly and will include related requirements of SFTR under this Sub-Fund.

#### **4. Reference Currency**

EUR

#### **5. Available Classes of Shares**

Class I – Institutional Investors  
Registered Shares  
Distribution Shares

#### **6. Fees**

##### **Fees borne by the Shareholders:**

Subscription fee: none  
Redemption fee: none  
Conversion fee: none

##### **Fees borne by the Sub-Fund:**

- ix. Management Company Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- x. Distribution Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- xi. Investment Management Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- xii. Depositary Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- xiii. Administrative Agent Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- xiv. Investment Advisory Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;
- xv. Domiciliation Fee** as disclosed in the table below titled “*Share Classes Fees Schedule*”;

##### **Share Classes Fees Schedule:**

Class	Fees payable to the Management Company Fee		Investment Management Fee <sup>1</sup>	Depository Fee <sup>2</sup>	Administrative Agent Fee <sup>3</sup>	Investment Advisory Fee	Domiciliation Fee
	Management Company Fee <sup>4</sup>	Distribution Fee					
I EUR	10 bps with a minimum of 36000 EUR per annum	N/A	Up to 0,25%	Up to 0.02% with a minimum of 500 EUR per month	Up to 0.05% with a minimum fee of 2 500EUR per month per Sub-Fund	N/A	5 000EUR per annum for the Sub-Fund

## 7. Profile of Typical Investor

This investment may be appropriate for investors seeking long-term capital appreciation. The Sub-Fund is not an appropriate investment for short-term investors or those seeking income.

## 8. Risk Profile

The risks pertaining to an investment in the Sub-Fund are: market risks, interest rate risks, credit risk and counterparty risk. The value of investments and income from such investments can go down as well as up and investors may not get back the full amount invested.

*Style Risk.* Since the Sub-Fund is not limited to investing in stocks all the time, the Sub-Fund will own significant non-equity instruments in a rising stock market, thereby producing smaller gains than a fund invested solely in stocks. A substantial cash position can impact the Sub-Fund's performance in certain market conditions.

<sup>1</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Investment Management fees are calculated by taking the maximum total fee defined for the Class subtracting Distribution fees. The respective "up to" represents the maximum potential remuneration if/when the distribution fees are not applicable.

<sup>2</sup> Per annum, payable quarterly on the value of the average net assets of the Fund. Sub-custody fees and transaction fees are charged separately. The Depository fee is paid directly by the Fund to the Depository.

<sup>3</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Administrative Agent Fee is paid directly by the Fund to the Administrative Agent. The Administrative Agent will also charge transaction fees related to the subscription and redemption of Shares. The Administrative Agent may also charge fees for their additional services (such as, but not limited to calculation of performance fees) as set out in the Central Administration Services Agreement.

<sup>4</sup> Per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month. The Management Company Fee is paid directly by the Fund to the Management Company.

**DISCLAIMER:** Past performance is not indicative of future results. The price of the Shares may fall as well as rise. Accordingly there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

**9. Minimum Initial Investment, Initial Issue Price, Minimum Holding Amount and Valuation Date**

Minimum Initial Investment:

Class I: EUR 5,000,000

Initial Issue Price:

Class I: EUR 1,000

Minimum Holding Amount:

Class I: EUR 5,000,000

The Board of Directors is authorised to waive any requirements relating to the Minimum Initial Investment or Minimum Holding Amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

Valuation Date:

Daily

**10. Specific Risk Details**

See Appendix II – Sub-Funds specific risk details



**APPENDIX I – SUB-FUNDS FEATURES**

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
<b>ARISTEA SICAV – SHORT TERM</b>	R	Retail Investors	Registered Shares	Capitalisation Distribution	EUR	N/A	10 bps up to EUR 300 M then 8 bps above EUR 300M	Up to 0,08%	Up to 0,15%	YES	Daily	Noon (Luxembourg time) on any Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
	I	Institutional Investors	Registered Shares	Capitalisation / Distribution	EUR	N/A		Up to 0,04%	Up to 0,08%	YES	Daily		
<b>ARISTEA SICAV – CHIRON TOTAL RETURN</b>	R	Retail Investors	Registered Shares	Capitalisation / Distribution	EUR	N/A	6 bps with a minimum of EUR 30000 per annum	Up to 1,05%	Up to 1,50%	NO	Daily	Noon (Luxembourg time) on any Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
	I	Institutional Investors	Registered Shares	Capitalisation / Distribution	EUR	N/A		Up to 0,15%	Up to 1,00%	NO	Daily		

<sup>1</sup> Percentage of the average total net assets per annum

<sup>2</sup> The Investment Manager is entitled to receive a **Performance Fee** as described in the Section Sub-Funds Details of this Prospectus.

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
<b>ARISTEA SICAV – NEW FRONTIERS EQUITY FUND</b>	R	Retail Investors	Registered Shares	Capitalisation	USD	N/A	15 bps with a minimum of EUR 24000 per annum up to EUR 100 M then 5 bps above 100 M	Up to 1,60%	Up to 2,20%	YES	Daily	Noon (Luxembourg time) on any Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
					EUR	NO		Up to 1,60%	Up to 2,20%				
	I	Institutional Investors	Registered Shares	Capitalisation	USD	N/A		Up to 0.15%	Up to 1,50%	YES	Daily		
					EUR	NO		Up to 0.15%	Up to 1,50%				
	J	Retail Investors	Registered Shares	Capitalisation	GBP	NO		Up to 0,60%	Up to 0,80%	NO	Daily		
	S	Reserved to individuals or corporate entities discretionarily accepted by the Fund or the Management Company	Registered Shares	Capitalisation	USD	N/A		Up to 0,70%	Up to 1,00%	NO	Daily		

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
	Z	Reserved to Institutional Investors selected by the Board of Directors	Registered Shares	Capitalisation	EUR	NO		Up to 0,15%	Up to 0,50%	NO	Daily		
<b>ARISTEA SICAV – FIM GEM DEBT FUND</b>	R	Retail Investors	Registered Shares	Capitalisation / Distribution	USD	N/A	Below EUR 200M: 6 bps  Above EUR 200M: 5 bps  With a monthly minimum of EUR 3000	Up to 1%	Up to 1,75%	YES	Daily	5:00 p.m. (Luxembourg time) on the Bank Business Day preceding the applicable Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
					GBP	HEDGED		Up to 1%	Up to 1,75%				
					CHF	HEDGED		Up to 1%	Up to 1,75%				
					EUR	HEDGED		Up to 1%	Up to 1,75%				
	II	Institutional	Registered Shares	Capitalisation / Distribution	USD	N/A	Up to 0,15%	Up to 0,95%	YES	Daily	5:00 p.m. (Luxembourg time) on the Bank	Up to Third Bank Business Day following	
					GBP	HEDGED	Up to 0,15%	Up to 0,95%					

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
					CHF	HEDGED		Up to 0,15%	Up to 0,95%			Business Day preceding the applicable Valuation Date	the applicable Valuation Date
					EUR	HEDGED		Up to 0,15%	Up to 0,95%				
	I2	Institutional	Registered Shares	Capitalisation	USD	N/A		Up to 0,15%	Up to 1,25%	NO	Daily	5:00 p.m. (Luxembourg time) on the Bank Business Day preceding the applicable Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
					GBP	HEDGED		Up to 0,15%	Up to 1,25%				
					CHF	HEDGED		Up to 0,15%	Up to 1,25%				
					EUR	HEDGED		Up to 0,15%	Up to 1,25%				
	S	Reserved to individuals or corporate entities discretionar	Registered Shares	Capitalisation	USD	N/A		Up to 0,40%	Up to 0,65%	YES	Daily	5:00 p.m. (Luxembourg time) on the Bank	Up to Third Bank Business Day following
					GBP	HEDGED		Up to 0,40%	Up to 0,65%				

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
		y accepted by the Fund or the Management Company			CHF	HEDGED		Up to 0,40%	Up to 0,65%			Business Day preceding the applicable Valuation Date	the applicable Valuation Date
			EUR	HEDGED		Up to 0,40%	Up to 0,65%						
	S2	Reserved to individuals or corporate entities discretionarily accepted by the Fund or the Management Company	Registered Shares	Capitalisation	USD	N/A		Up to 0,55%	Up to 0,95%	NO	Daily	5:00 p.m. (Luxembourg time) on the Bank Business Day preceding the applicable Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
GBP					HEDGED		Up to 0,55%	Up to 0,95%					
CHF					HEDGED		Up to 0,55%	Up to 0,95%					
EUR					HEDGED		Up to 0,55%	Up to 0,95%					
	Z	Reserved to Institutional Investors selected by the Board of Directors	Registered Shares	Capitalisation	EUR	HEDGED		Up to 0,15%	Up to 0,60%	YES	Daily	5:00 p.m. (Luxembourg time) on the Bank Business Day	Up to Third Bank Business Day following the applicable
USD					N/A		Up to 0,15%	Up to 0,60%					
GBP					HEDGED		Up to 0,15%	Up to 0,60%					

SUB-FUNDS	CLASS	TARGETED INVESTORS	SHARES FORM	CATEGORY	DENOMINATION CURRENCIES	CURRENCY HEDGED SHARE CLASS	FEES PAYABLE TO THE MANAGEMENT COMPANY <sup>1</sup>		INVESTMENT MANAGEMENT FEE	PERFORMANCE FEES <sup>2</sup>	VALUATION DATE	CUT-OFF TIME	SETTLEMENT DATE
							MANAGEMENT COMPANY FEE	DISTRIBUTION FEE					
					CHF	HEDGED		Up to 0,15%	Up to 0,60%			preceding the applicable Valuation Date	Valuation Date
	Z2	Reserved to Institutional Investors selected by the Board of Directors	Registered Shares	Capitalisation	EUR	HEDGED		Up to 0,15%	Up to 0,85%	NO	Daily	5:00 p.m. (Luxembourg time) on the Bank Business Day preceding the applicable Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date
USD					N/A		Up to 0,15%	Up to 0,85%					
GBP					HEDGED		Up to 0,15%	Up to 0,85%					
CHF					HEDGED		Up to 0,15%	Up to 0,85%					
<b>ARISTEA SICAV – MIXED ALLOCATION</b>	I	Institutional	Registered Shares	Distribution	EUR	N/A	10 bps with a minimum of 36000 EUR per annum	N/A	Up to 0,25%	NO	Daily	Noon (Luxembourg time) on any Valuation Date	Up to Third Bank Business Day following the applicable Valuation Date

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**APPENDIX II – SUB-FUNDS SPECIFIC RISK DETAILS**

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	<b>Global Exposure approach used</b>	<b>Global Exposure Limit</b>	<b>Relative benchmark<sup>1</sup></b>	<b>Expected level of leverage<sup>1</sup> (Sum of FDI Notionals)</b>	<b>Higher leverage<sup>1</sup> Levels (Sum of FDI Notionals)</b>	<b>Expected level of leverage<sup>1</sup> (Commitment)</b>	<b>Higher leverage<sup>1</sup> level (Commitment)</b>
<b>ARISTEA SICAV – SHORT TERM</b>	Commitment	100% of NAV	N/A	N/A	N/A	N/A	N/A
<b>ARISTEA SICAV – CHIRON TOTAL RETURN</b>	Absolute VaR	20%	N/A	50%	150%	45%	145%
<b>ARISTEA SICAV – NEW FRONTIERS EQUITY FUND</b>	Commitment	100% of NAV	N/A	N/A	N/A	N/A	N/A
<b>ARISTEA SICAV – FIM GEM DEBT FUND</b>	Absolute VaR	20%	N/A	400%	500%	130%	200%
<b>ARISTEA SICAV – MIXED ALLOCATION</b>	Absolute VaR	20%	N/A	70%	100%	60%	100%

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<sup>1</sup> If the VAR approach is used. The level of leverage may vary over time. Investors must be aware of the possibility of higher leverage levels under certain circumstances.

The Commitment approach is based on the sum of notionals of Financial Derivatives Instruments (“FDI”) applying Netting and Hedging techniques. The FDI could be used for leverage or hedging as well as to create synthetic positions on securities that could not be bought directly on the market.

**APPENDIX III – SUB-FUNDS SFDR AND TAXONOMY DISCLOSURES**

**Sustainable investment** means Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Pre-contractual products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** ARISTEA SICAV – MIXED ALLOCATION (the “Sub-Fund”)  
**Legal entity identifier:** 549300MXCYTT3YHMSY93

**Environmental and/or social characteristics**

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

Banor Capital Limited (the “**Investment Manager**”) includes environmental, social and governance (“**ESG**”) considerations into its investment process applied at the level of the Sub-Fund by (i) using a best in class approach to identify those companies and/or issuers with the best practice and standards in terms of ESG characteristics, (ii) holding minimum



amount of rated instruments and (iii) negative screening by excluding issuers involved in controversial activities.

Such approach supports the promotion of environmental and social characteristics notably by excluding from the portfolio, all companies whose revenues come mainly from the sales of nuclear weapons and landmines, from gambling, from sales of electricity produced by coal-fired power stations.

In addition, the Investment Manager selects a dedicated proportion of the portfolio companies by using the ESG scoring generated from MSCI, Sustainalytics, Bloomberg or FactSet. The Investment Manager selects and reviews the rating agency every year and maintain this information up-to-date in Responsible Investment Policy available on the website of the Investment Manager.

By reviewing the rating agency every year, the Investment Manager aims to diversify the ESG investment universe and mitigate the potential risk rising from an inconsistency of data provided by the difference rating agencies.

A reference benchmark has not been designated for attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used can vary by industry and company. The Investment Manager relies on the indicators used by the selected rating agency, to screen the ESG risks that are the most material accordingly to the sector or industry.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

In that context, environmental factors typically include GHG emissions, energy management, waste production, ecological/human health risks, carbon dependency and climate change risks and social factors relate to the respect of human rights, data security and privacy, labour market conditions and practices, employee health and safety, diversity and inclusion, subjective well-being indicators and poverty. Also screened are governance factors such as business ethics, competitive behaviour, management of legal and regulatory environment, risk management.

When the MSCI ESG Rating is used to select the companies and measure the attainment of each of the environmental and/or social characteristic promoted by this financial product a country's exposure to and management of environmental, social and governance risk factors are assessed and explain how these factors might impact the long-term sustainability of its economy.

The rating methodology used for the MSCI ESG Rating is based on a serie of risk factors and sub-factors, including:

- environmental risks: natural resource (energy security, water resources, productive land and mineral resources-, environmental externalities and vulnerability (vulnerability to environmental events, environmental performance);
- social risks: human capital (higher education and technology readiness, knowledge capital, basic needs, human capital performance), economic environment; and
- governance risk: financial governance (financial capital, financial management), political governance (institutions, judicial and penal system, governance effectiveness);

When the Sustainalytics Rating is used to select the companies and measure the attainment of each of the the environmental and/or social characteristic promoted as above mentioned, the rating methodology used for the Sustainalytics Rating is based on a serie of factors, including:

- environmental factor: dustainalytics considers a company's impact on the environment in terms of its carbon footprint, water usage, waste management, and other related factors. The ratings also look at the company's environmental policies and management practices;

- social factor: the social dimension of the Sustainalytics ratings looks at a company's impact on society, including factors such as labor practices, human rights, product safety, and community relations. The ratings also consider the company's social policies and management practices; and
- governance factor: Sustainalytics evaluates a company's governance structure and practices, including factors such as board composition, executive compensation, shareholder rights, and transparency. The ratings also consider the company's ethical and legal compliance.

When the Bloomberg ESG Rating is used to select the companies and measure the attainment of each of the the environmental and/or social characteristic promoted as above mentioned, the rating methodology used for the Bloomberg Rating is based on a serie of factors, including:

- environmental factor: the Bloomberg ESG ratings consider a company's impact on the environment, including factors such as greenhouse gas emissions, energy efficiency, water usage, waste management, and environmental policies;
- social factor: the social dimension of the Bloomberg ESG ratings looks at a company's impact on society, including factors such as labor practices, human rights, product safety, and community relations. The ratings also consider the company's social policies and management practices; and
- governance factor: the Bloomberg ESG ratings evaluate a company's governance structure and practices, including factors such as board composition (such as diversity, tenure, overboarding and independence), executive compensation, shareholder rights, and transparency. The ratings also consider the company's ethical and legal compliance.

When the FactSet ESG Rating is used to select the companies and measure the attainment of each of the the environmental and/or social characteristic promoted as above mentioned, the rating methodology used for the FactSet ESG Rating is based on a serie of factors, including:

- environmental factor: the FactSet ESG ratings consider a company's impact on the environment, including factors such as greenhouse gas emissions, energy efficiency, water usage, waste management, and environmental policies. The ratings also evaluate the company's environmental performance in relation to its industry peers;
- social factor: the social dimension of the FactSet ESG ratings looks at a company's impact on society, including factors such as labor practices, human rights, product safety, and community relations. The ratings also consider the company's social policies and management practices; and
- governance factor: the FactSet ESG ratings evaluate a company's governance structure and practices, including factors such as board composition, executive compensation, shareholder rights, and transparency. The ratings also consider the company's ethical and legal compliance.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Non applicable. The Sub-Fund does not invest in sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes, \_\_\_\_\_

No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.



Although the Investment Manager is committed to incorporating environmental, social and governance factors into its investment decisions, it believes that, considering its current investment strategy and processes, the collection and consideration of Principal Adverse Impacts are not relevant to achieve the promotion of environmental and social characteristics promoted by the Sub-Fund.

### What investment strategy does this financial product follow?

In addition to the elements related to the investment policy and strategy, as detailed in section 1. “*Investment Policy and Strategy*” of the section of the Prospectus pertaining to the Sub-Fund, the investment strategy includes the process detailed below in line with the promotion of environmental and social characteristics by the Sub-Fund.

The investment strategy applies an exclusion list (1) and will use a “best-in-class” approach to identify those issuers and/or companies with the best practice (2).

#### **1. Exclusion list**

First, the Investment Manager applies a strict exclusion list, identifying companies whose revenues come mainly from the sales of nuclear weapons or landmines, from gambling, from sales of electricity produced by coal-fired power stations.

In that respect, the Investment Managers refers to publicly available lists of companies which are allegedly exposed to activities detrimental for the environmental and human rights.

#### **2. Best in class**

Secondly, when selecting investments, the Sub-Fund adopts a best-in-class approach which seeks to invest in securities of companies with low sustainability risks while avoiding those with high

sustainability risks, reducing the investment universe further. The Sub-Fund is committed to invest a minimum amount of 50 % of its assets in securities with an ESG rating.

For these investments to be in the investment universe of the Sub-Fund, a minimum score, from an industry leading ESG data provider will be required to achieve eligibility. We provide below details of the data providers we consider as industry experts and our acceptable minimum scoring criteria from each provider:

- MSCI: B or above
- Sustainalytics: Below 40 risk score
- Bloomberg: 2 and above
- ISS (Factset) C- and above

As such, all companies in line with the above minimum scoring criteria will be accepted. The Investment Manager considers companies below these scoring thresholds as not aligned with the environmental and social characteristics promoted by the Sub-Fund.

When an investee company is downgraded or included in excluded sector after the acquisition of the company, the Investment Manager may be required to keep the company in the portfolio to (i) comply with the applicable regulations, (ii) if the investment is used for liquidity purposes or (iii) if the Investment Manager believes that the ESG scoring may improve due to engagement. Any divestment will be decided in the best interest of investors.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund's binding elements of the investment strategy are the following:

- The exclusion list is systematically applied to exclude companies whose revenues come mainly from the sales of nuclear weapons, from gambling, from sales of electricity produced by coal-fired power stations.
- For the proportion of assets with an ESG rating, only the issuers that meet the minimum scoring threshold below will be considered for investment.
  - MSCI: B or above
  - Sustainalytics: Below 40 risk score
  - Bloomberg: 2 and above
  - ISS (Factset) C- and above

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate issued to reduce scope of investments in the Sub-Fund.

● ***What is the policy to assess good governance practices of the investee companies?***

In order to assess good governance practices, the Investment Manager believes that a sound corporate governance structure is essential for creating long-term shareholders value. As the

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

investee companies are selected through the best-in-class process, referring to ESG ratings provided by MSCI, Sustainalytics, Bloomberg or ISS, the Investment Manager relies on the governance scoring generated by the rating agencies.

MSCI governance assessment relies on key issues being: corporate governance (board composition, remuneration, ownership structure and accounting system) and corporate behavior (business ethics and tax transparency).

Sustainalytics integrates the corporate governance indicators into the ESG scoring system, which include, in addition to the corporate governance indicators (board composition, executive compensation, shareholder rights, and transparency), the governance assessment also refers the ESG indicators of the shareholders of the investee companies.

Bloomberg developed to governance scoring system: the BESG Governance Pillar Score and the BESG Board Composition Theme Score. Whereas the BESG Governance Pillar Score assesses the overall sound governance of a company, the BESG Board Composition Theme Score focuses on the governance factors of the board of a company, such as the diversity, tenure, overboarding and independence.

FactSet corporate governance assessment is divided into distinct packages that provide comprehensive insights into thousands of companies. The coverage of each package differs slightly given the nature of the content included. Coverage of the corporate governance-focused packages, , coincide with corporate governance provisions reported in public sources, such as EDGAR filings and articles of incorporation, while the coverage of the corporate activism package coincides with activist activity reported in SEC filings. U.S. companies constitute the majority of those included in this feed, although FactSet continues to expand coverage in other regions.

The Sub-Fund considers the scores of the investee companies accordingly and monitors the score throughout the life of the investment.



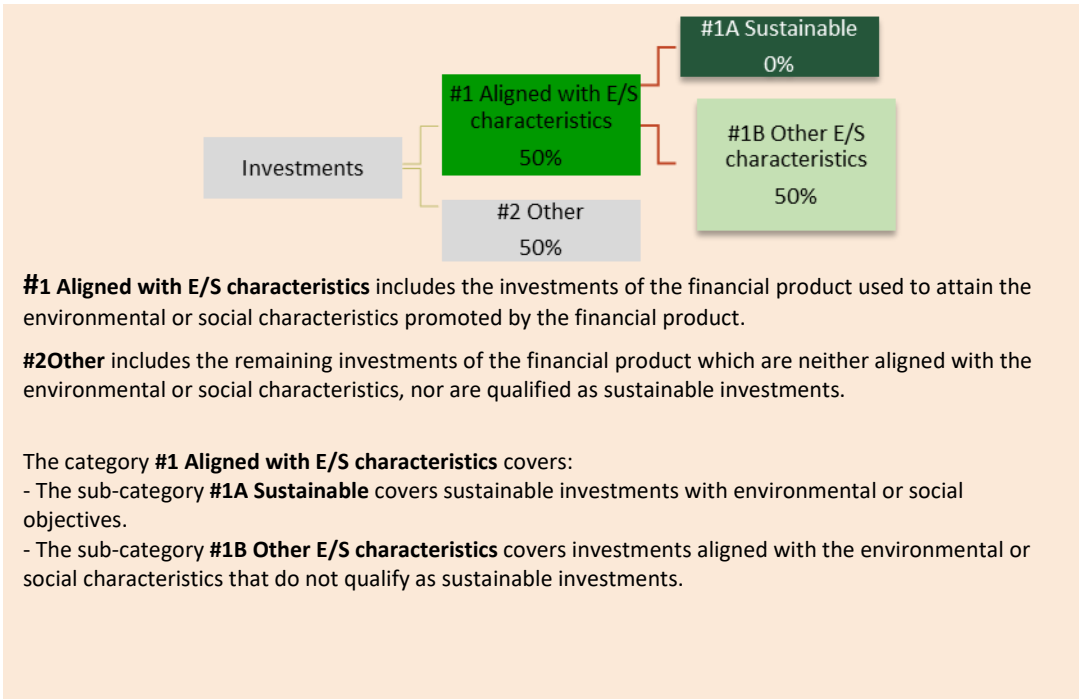
### What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the share of investments in specific assets.

A minimum of 50% of the investments underlying the Sub-Fund are promoting environmental and social characteristics and are subject to the best-in-class strategy of the Sub-Fund (**#1 Aligned with E/S characteristics**) and up to 50% invested in Other (**#2 Other**).

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund does not use derivatives to attain the promoted environmental or social characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable. The Sub-Fund does not invest in sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

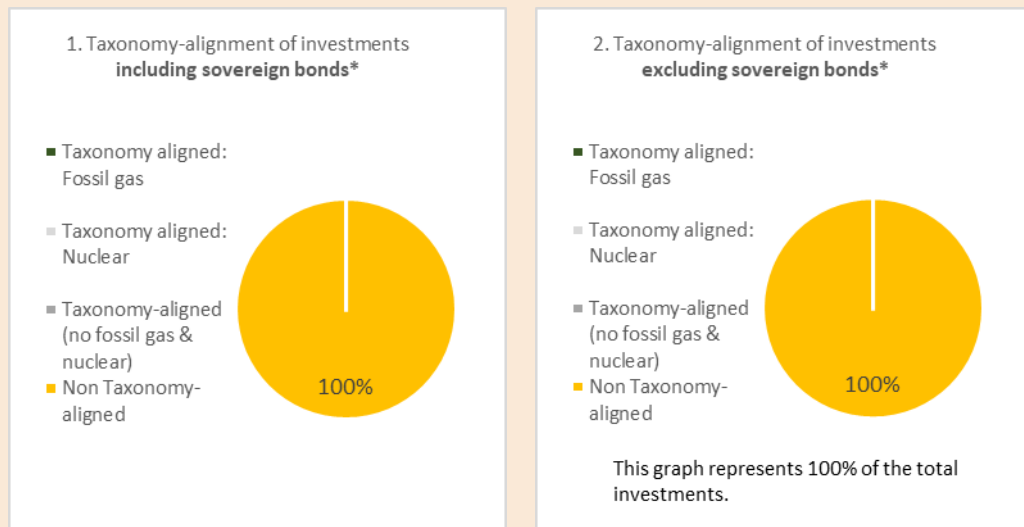
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes

in fossil gas       in nuclear energy

No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



**\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Others”, are debt securities (bonds), liquidity, money market instruments, derivativ instruments and equities.

These investments are not used to promoted environmental or social characteristics and are not selected with the ESG binding rating described in the section “What investment strategy does tis financial product follow?”.

The minimum safeguards are applied to these investments through the exclusion list referred to in the section “What investment strategy does this financial product follow?”. The exclusion list applies to all investments, including the investments which are not aligned with the environmental and social characteristics promoted by the fund.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**



No specific index has been designated as a reference benchmark to determine whether the Sub-Fund is aligned with the environmental and/or social characteristics that it promotes.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
[www.aristeasicav.com/lu/en-us/documents.aspx](http://www.aristeasicav.com/lu/en-us/documents.aspx)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**



**Product name:** Aristeia Sicav - FIM GEM Debt Fund (the “Sub-Fund”)  
**Legal entity identifier:** 549300IPG5A4H1JBBQ81

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager’s aims at generating positive risk adjusted returns with responsibility through fundamental analysis, operational excellence, and by integrating environmental, social and governance (ESG) issues into the investment processes.

The financial product promotes overall environmental and social sustainability by investing in companies and issuers that have the best ESG practices using a “best-in-class” approach. This approach is informed by our evaluation process which includes an identification and assessment of the sustainability risks relating to each company and issuer by means of our proprietary ESG framework. The framework includes country, sector and value based exclusions in order to restrict investing in companies and issuers that are in countries that face international sanctions, as well as exclude investing in sectors that have a negative impact on environmental and social factors, as follows:

Unless specifically noted in terms of revenue threshold (in parentheses), these sectors are automatically excluded from our investment universe:

- Tobacco Production (5%)/Distribution (5%)
- Alcohol Production (5%)/Distribution (5%)
- Gambling



- Adult Entertainment including Pornography
- Illegal & Nuclear Weapons, including but not limited to Cluster munitions, Anti-personnel mines, Biological Weapons, Chemical Weapons, depleted uranium munitions and Non-detectable fragments, incendiary and blinding weapons
- Coal Mining
- Coal (25%), with the exception of companies that have clear strategies to transition to a lower-carbon economy and have no plans to increase their coal-based capacity
- Radioactive materials
- Unbonded asbestos fibres
- Any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements

A reference benchmark has not been designated for attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

There are several sustainability indicators integrated in the quantitative investment process for stock selection. Where the relevant data is available, these sustainability indicators aim at capturing a range of topics including, but not limited to, the following:

- Environmental factors such as GHG emissions, energy management, waste production, ecological/human health risks, carbon dependency, and climate change risks;
  - Social factors such as respect of human rights, data security and privacy, labour market conditions and practices, employee health and safety, diversity and inclusion, subjective well-being indicators, and poverty;
  - Governance factors such as corruption, regulatory and legal protections, transparency, competition and other rule of law metrics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The Sub-Fund does not invest in sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

- ✘ No, this financial product does not consider principle adverse impacts on sustainability factors as its size, and the nature and the scale of its activities are not considered likely to create material adverse impacts on sustainability factors.

### **What investment strategy does this financial product follow?**

The financial product promotes environmental and social characteristics within the scope of Article 8 of SFDR. The strategy focuses on providing the investors with capital growth by investing, directly or indirectly, in fixed income products exposed to global emerging markets and frontier markets. In addition, the Investment Manager will use a “best-in-class” approach to identify those issuers and/or companies with the best practice and standards in terms of ESG characteristics for inclusion in the Sub-Fund’s portfolio. This approach is informed by our evaluation process which includes an identification and assessment of the sustainability risks relating to each company and issuer by means of our proprietary ESG framework, which is based on three cumulative and complementary layers:



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- i. Negative screening aimed at excluding investments with a high long term sustainability risk, such as countries on international sanctions lists, as well as investments in financial instruments issued by companies whose revenues come mainly from the sales of tobacco, from alcohol, from illegal and nuclear weapons, from gambling, from adult entertainment;

- ii. Quantitative screening and scoring model whereby investments are analyzed through several return horizons using techniques which systematically score them according to E, S and G indicators. Generally, the Investment Manager will not invest in corporates which do not meet the minimum scoring threshold of 50 out of 100 in our proprietary ESG scorecard, unless it is expected that the score will improve in the near future. The Scorecard assesses companies through a range of sector-specific ESG questions and unique data points while taking into account material risks for each sector and weighing the score accordingly. For sovereigns, opportunities in the worst performing countries will be restricted from investment;
- iii. Post-screening in-depth analysis via the use of an events calendar and high frequency socioeconomic data. Any number of factors may trigger a requirement for a deeper analysis, which may focus on the overall ESG picture, one pillar, or on one specific issue.

The foregoing exclusionary and scoring approach contribute to a reduction in sustainability risks and improvement on expected returns.

Through scoring and through an exclusionary approach of certain sectors, exposure to specific risk factors is eliminated. Moreover, the analysis on single issuers will increase the discount rate for companies with a higher-than-average sustainability risk, requesting a higher expected return to be added in the portfolio and adjusting the corresponding weight. The combination of both will contribute to improved expected returns and reduce sustainability risks.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager is bound by the fact that the investments are excluded based on the exclusion criteria defined in the section headed “What environmental and/or social characteristics are promoted by this financial product?” and as indicated below:

Unless specifically noted in terms of revenue threshold (in parentheses), these sectors are automatically excluded from our investment universe:

- Tobacco Production (5%)/Distribution (5%)
- Alcohol Production (5%)/Distribution (5%)
- Gambling
- Adult Entertainment including Pornography
- Illegal & Nuclear Weapons, including but not limited to Cluster munitions, Anti-personnel mines, Biological Weapons, Chemical Weapons, depleted uranium munitions and Non-detectable fragments, incendiary and blinding weapons
- Coal Mining
- Coal (25%), with the exception of companies that have clear strategies to transition to a lower-carbon economy and have no plans to increase their coal-based capacity
- Radioactive materials
- Unbonded asbestos fibres
- Any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements

In summary, the binding constraints are based on the UN and US Sanctions lists, sector restrictions as outlined above as well as the bottom decile of Investment Manager's ESG Scorecard, all of which are hardcoded in the compliance system.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The Sub-Fund does not apply any commitment rate to reduce the scope of investments considered prior to the application of that investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices of investee companies are assessed through our above-mentioned proprietary ESG scorecard. Our scorecard takes into account material risks for each sector and weighs the scoring accordingly. The minimum scoring threshold for inclusion in the fund is 50 out of 100, which is a measure of the general ESG Score. The scorecard assesses companies through a range of sector-specific ESG questions and unique KPI data points.

Specific indicators on governance include independent and diversified boards, adherence to good corporate governance codes, lawsuits, fines or incidents of non-compliance, and risk management systems.

For sovereigns, relevant indicators include corruption, regulatory and legal protections, transparency, competition and other rule of law metrics.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



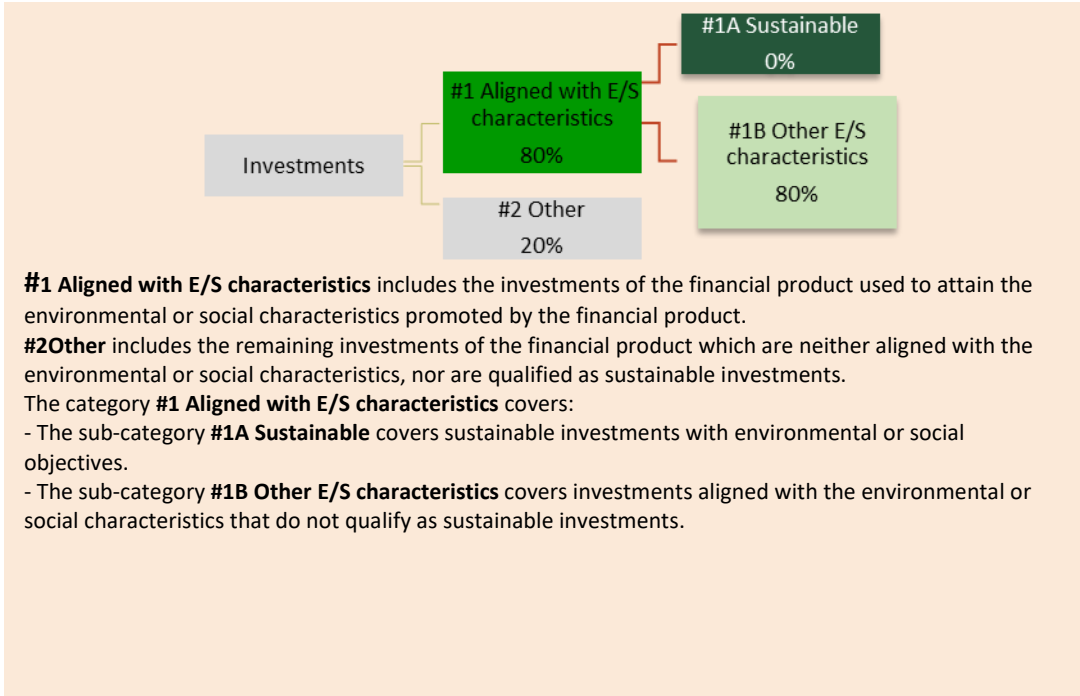
#### **What is the asset allocation planned for this financial product?**

Asset allocation is from a bottom-up fundamentally-driven high conviction approach. Each investment passes through a quantitative screen for ESG risk factors (calculations may rely on incomplete on incomplete company or third party data), followed by deeper analysis flagged in the screen on specific ESG risk factors. It does not deploy a top-down allocation model to target ESG objectives.

**Asset allocation** describes the shares of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable. Derivatives are not used to attain environmental or social characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

At the date of this Prospectus, the Sub-Fund does not commit to invest in “sustainable investments” as defined by article 2(17) SFDR, and the investments of the Sub-Fund are not expected to be aligned with the EU Taxonomy under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (“**Taxonomy Regulation**”).

The percentage invested in environmentally sustainable activities within the meaning of the EU Taxonomy Regulation at all times is 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

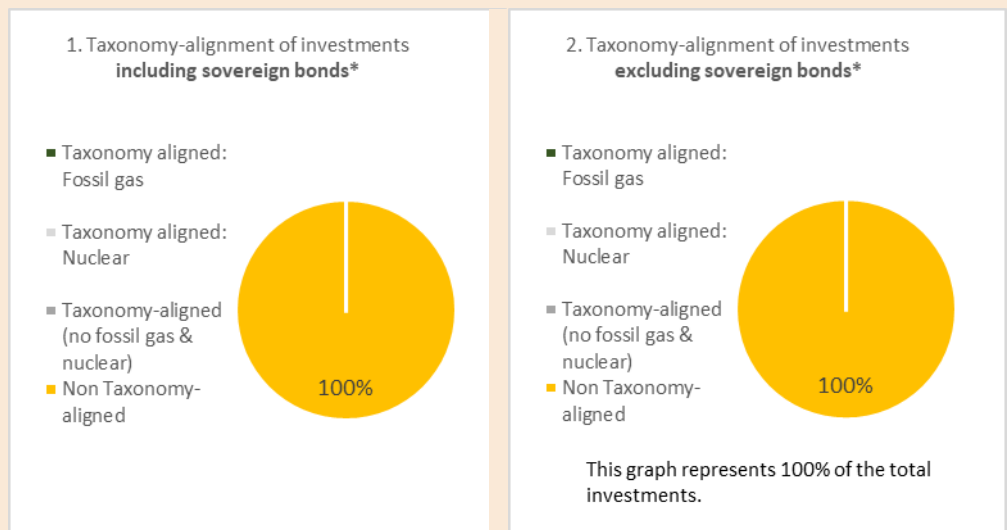
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

- Yes
  - in fossil gas
  - in nuclear energy
- No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● *What is the minimum share of investments in transitional and enabling activities?*  
Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Sub-Fund does not invest in any “sustainable investments” with an environmental objective.



**What is the minimum share of socially sustainable investments?**

Not applicable. The Sub-Fund does not invest in any “sustainable investments”.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash and cash equivalents may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes set out in the prospectus. This category may also include securities for which relevant data is not available. Thus, these investments do not have any minimum environmental or social safeguards in place.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
[www.aristeasicav.com/lu/en-us/documents.aspx](http://www.aristeasicav.com/lu/en-us/documents.aspx)