

PROSPECTUS

---

**LIMMAT CAPITAL SICAV**

---

**R.C.S. B221969**

Management Company

**ONE Fund Management S.A.**

Depositary

**ELAVON FINANCIAL SERVICES DAC, LUXEMBOURG BRANCH**

**Version: 1 January 2023**

# Table of Contents

<b>PROSPECTUS</b> .....	<b>6</b>
<i>The Investment Company</i> .....	6
<i>The Management Company</i> .....	7
<i>The Fund Manager</i> .....	8
<i>Distributor in Switzerland</i> .....	8
<i>Depositary and Luxembourg Paying Agent</i> .....	9
<i>Central Administration Agent, Registrar and Transfer Agent</i> .....	10
<i>Domiciliary Agent</i> .....	10
<i>Legal position of shareholders</i> .....	10
<i>General notice on trading shares</i> .....	11
<i>General investment objectives, policy, and risks</i> .....	11
<i>Notes on derivatives and other techniques and instruments</i> .....	12
<i>General Risk Disclosures</i> .....	15
<i>Risk profiles</i> .....	23
<i>Calculation of the net asset value per share</i> .....	25
<i>Issue of shares</i> .....	25
<i>Redemption and conversion of shares</i> .....	26
<i>Taxation of the Investment Company</i> .....	27
<i>Taxation of income from shares in the Investment Company held by the shareholder</i> .....	27
<i>Publication of the net asset value per share and the subscription and redemption price</i> .....	28
<i>Shareholder information</i> .....	28
<i>Notes for shareholders with respect to the United States of America</i> .....	29
<i>Information for shareholders concerning the automatic exchange of information</i> .....	30
<i>Notice to Shareholders Regarding Disclosure Obligations in the Area of Taxation (DAC-6)</i> .....	31
<i>Combating Money Laundering</i> .....	31
<i>Data protection</i> .....	32
<b>Supplement LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS)</b> .....	<b>34</b>
<b>Annex 1</b> .....	<b>47</b>
<b>Articles of Association</b> .....	<b>47</b>
I. <i>Name, registered office and purpose of the Investment Company</i> .....	47
II. <i>Duration, merger and liquidation of the Investment Company</i> .....	54
III. <i>Share capital and shares</i> .....	55
IV. <i>General meeting of shareholders</i> .....	62
V. <i>Board of Directors</i> .....	63
VI. <i>Auditor</i> .....	67
VII. <i>General and final provisions</i> .....	67

## **Management, distribution and advisory**

### ***Investment Company***

#### **LIMMAT CAPITAL SICAV**

4, rue de Peternelchen  
L-2370 Howald  
Grand Duchy of Luxembourg

### ***Board of Directors of the Investment Company***

#### **Chairman**

Daniel Van Hove  
Managing Director  
Orionis Management S.A.

#### **Member of the Board of Directors**

Eric Grenouillet  
Managing Director  
Orionis Management S.A.

#### **Member of the Board of Directors**

Laurence Jodogne  
Member of the Executive Committee  
Orionis Management S.A.

### ***Auditors of the Investment Company***

#### **KPMG Luxembourg, Société anonyme**

39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

***Management Company***

**ONE Fund Management S.A.**

4, rue Peternelchen  
L-2370 Howald  
Grand Duchy of Luxembourg

***Board of Directors of the Management Company (governing body)***

Aron Brown (Chairman)  
Steve Bernat  
Lydie Bini

***Conducting Officers***

Lydie Bini  
Kvirin Cerne  
Geoffrey Hurault  
Daniel Koelzer  
Sophie Charles

***Auditors of the Management Company***

**Ernst & Young Luxembourg,**

35E, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

***Depository and Paying Agent***

**Elavon Financial Services DAC, Luxembourg Branch**

4, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

***Central Administration Agent  
Registrar and Transfer Agent***

**U.S. Bank Global Fund Services (Luxembourg) S.à r.l.**

4, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

***Fund Manager and Distributor***

**LIMMAT CAPITAL Alternative Investments AG**

Riesbachstrasse 57  
CH-8008 Zurich  
Switzerland

***Domiciliary Agent***

**ONE Corporate S.à r.l.**

4, rue Peternelchen  
L-2370 Howald  
Grand Duchy of Luxembourg

The investment fund described in this Prospectus, which consists of the Prospectus, the Articles of Association (the “Articles”) and the respective sub-fund-specific supplements, collectively referred to as the “Prospectus”, is a Luxembourg investment company with variable share capital (*société d’investissement à capital variable*) subject to Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended (“Law of 17 December 2010”), in the form of an umbrella fund (“Investment Company” or “Company” or “Fund”). The Investment Company is a single legal entity incorporated as an umbrella fund comprised of separate sub-funds. The Prospectus is exclusively published in the context of the offering of shares of the sub-funds available on the date of the Prospectus.

The information contained in this Prospectus is supplemented by the financial statements and further information in the latest annual report and semi-annual report of the Investment Company, copies of which may be obtained free of charge at the registered office of the Investment Company and the Investment Manager’s website [www.limmatcapital.ch](http://www.limmatcapital.ch). The current Prospectus and the Key Investor Information Document are the sole legal basis for the purchase of shares. By purchasing a share, the shareholder acknowledges the Prospectus and the Key Investor Information Document and any approved and published amendments thereto.

The Key Investor Information Document and Prospectus will be made available to shareholders at no charge on a timely basis before the acquisition of shares in the sub-funds of the Investment Company.

The fund initiator is LIMMAT CAPITAL ALTERNATIVE INVESTMENTS AG.

The provision of information or statements other than those provided in the Prospectus and the Key Investor Information Document is not permitted. Neither the Management Company nor the Investment Company is liable in the event and to the extent that information or statements are provided other than those given in the most recent version of the Prospectus and the Key Investor Information Document.

The Prospectus, the Key Investor Information Document, and the respective annual and semi-annual report of the Investment Company may be obtained at no charge at the registered office of the Investment Company, the Management Company, the Depositary, and the Distributor(s) if any.

The Prospectus and the Key Investor Information Document can also be accessed via the website of the Fund Manager at [www.limmatcapital.ch](http://www.limmatcapital.ch). At the investor’s request, the documents listed will also be provided in hard copy.

Please see the Chapter “Shareholder information” for further information.

The Investment Company’s Board of Directors has taken all necessary steps to ensure that the Prospectus, at the time of its publication, contains accurate and precise information on all of the critical issues addressed therein. All members of the Board of Directors accept their liability in this regard.

Potential investors are requested to seek personal advice – from their bank or their financial, legal or tax advisor – to become fully aware of any legal or tax consequences or of any consequences related to foreign exchange restrictions or controls which may apply to the subscription, holding, redemption, conversion or transfer of shares with regard to the current legal situation in the country of residence, ordinary residence or place of business of such person. Nobody is authorised to issue information other than the information provided in the Prospectus and the documents referred to therein. Any information disclosed by a person not referred to in the Prospectus should be regarded as unauthorised information. The information contained in the Prospectus is accurate at the time of issue. The Prospectus may be updated from time to time to take account of any significant changes that subsequently occur. Therefore, any potential subscriber of shares is advised to check with the Investment Company as to whether a more recent Prospectus has been published since the original date of publication.

This Prospectus may be translated into other languages. The content and meaning of the translations should correspond to the English language version of the Prospectus. Should there be any discrepancies between the English language version of the Prospectus and other language versions of the Prospectus, the English language version of the Prospectus shall prevail unless the national law of a country of distribution determines that the Prospectus issued in that country of distribution in a different language version shall prevail.

# PROSPECTUS

The Investment Company described in this Prospectus is managed by ONE Fund Management S.A. (“**Management Company**”).

**Attached to this Prospectus are sub-fund-specific Supplements concerning the respective sub-funds and the Investment Company and the Articles of Association of the Investment Company. The Prospectus, the Articles of Association of the Investment Company and the relevant supplements form a single document and accordingly supplement each other.**

## ***The Investment Company***

The Investment Company is a public limited company (*société anonyme*) organised as an investment company with variable capital (*société d’investissement à capital variable*) under the laws of the Grand Duchy of Luxembourg with its registered office located at 4 rue de Peterelchen, L-2370 Howald, Grand Duchy of Luxembourg.

The Investment Company was incorporated on 13 February 2018 for an unlimited duration as an umbrella SICAV. Its Articles of Association were first published on 19 February 2018 on the new information platform *Recueil électronique des sociétés et associations* (“RESA”) of the Luxembourg Register of Commerce and Companies (“R.C.S.”). The Investment Company is registered under number R.C.S. Luxembourg B 221969.

The financial year of the Investment Company ends on 31 December of each year.

The Investment Company constitutes an umbrella fund and enables the investor to select between various investment objectives and invest in one or more sub-funds of the Investment Company assets. Each sub-fund has its independent portfolio of securities and legitimate assets managed according to specific investment objectives. Each sub-fund can vary in particular by investment strategy, investment objectives, fund currency or other criteria as mentioned in the respective supplement. Exemption of liability exists among the individual sub-funds. Shareholder and creditor rights concerning a sub-fund or rights associated with the formation, custody or the liquidation of a particular sub-fund only refer to the assets of that sub-fund. The assets of a sub-fund are only liable up to the sum of the shareholder’s invested assets in this sub-fund and also liable for the costs associated with the inception, management or liquidation of the sub-fund. Every sub-fund is treated as an independent entity with regard to the relationships of shareholders to one another.

The capital of the Investment Company amounted to EUR 31,000, divided into 310 shares with no par value (initial issue price of share class B-EUR 100 per share) at the time of its incorporation, and will in future always correspond to the net asset value of the Investment Company. In accordance with the Law of 17 December 2010, the capital of the Investment Company reached an amount of at least EUR 1,250,000.00 within six months after its authorisation by the Luxembourg supervisory authority.

The exclusive purpose of the Investment Company is to invest in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of 17 December 2010 with the objective of generating an adequate performance for the benefit of shareholders by defining a specific investment policy.

The Board of Directors of the Investment Company is authorised to conduct all business and take all necessary or beneficial steps to fulfil the purpose of the Investment Company. It is responsible for all matters relating to the Investment Company unless they are reserved for the general meeting of shareholders in accordance with the Law of 10 August 1915 on commercial companies (including amending laws) or the Articles of Association of the Investment Company.

The Board of Directors of the Investment Company has delegated management to the Management Company in accordance with amended Council Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended (“Directive 2009/65/EC”).

The Board of Directors is composed of the following members: Daniel Van Hove, Managing Director of Orionis Management S.A., Eric Grenouillet, Managing Director of Orionis Management S.A., and Laurence Jodogne, Member of the Executive Committee of Orionis Management S.A..

Upon the creation of new sub-funds, the Prospectus shall be amended as appropriate by providing detailed information regarding the new sub-funds.

### **The Management Company**

The Board of Directors has appointed ONE Fund Management S.A. as management company of the Fund ("**Management Company**") to perform investment management, administration, and marketing functions as described in Annex 2 of the 2010 Law pursuant to an agreement entered into between the Fund and the Management Company ("**Fund Management Company Agreement**") which may be terminated on not less than three (3) months' prior written notice given by either party to the other.

The Management Company was incorporated on 9 December 2019, as a public limited company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, and registered with the R.C.S. under number B.240884. The Management Company is licensed by the CSSF as a management company of UCITS in accordance with Chapter 15 of the 2010 Law. The Management Company has a subscribed and paid-up capital of EUR 125,000.-.

At the date of this Prospectus, the composition of the board of directors of the Management Company is as described in Section "Management, distribution and advisory".

The conducting officers listed in Section "Management, distribution and advisory" are the managers responsible for the day-to-day activities of the Management Company within the meaning of Article 102 of the 2010 Law, and CSSF Circular 18/698.

The Management Company is authorised, for the purpose of a more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund and subject to the approval of the CSSF, part or all of its functions and duties to any third party, which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company shall remain liable to the Fund in respect of all matters so delegated. The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus and the relevant provisions of the Fund Management Company Agreement.

In relation to any delegated duty, the Management Company will implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure effective supervision of the third parties to whom functions and duties have been delegated and that the services provided by such third party service providers are in compliance with the Prospectus and the agreement entered into with the relevant third party service provider. The Management Company has delegated the following functions in respect of the Fund and its Sub-Funds:

- > the global distribution function to LIMMAT CAPITAL Alternative Investments AG for coordination of distribution agreements;
- > the investment management function to LIMMAT CAPITAL Alternative Investments AG; and
- > the administrative function to U.S Bank Global Fund Services (Luxembourg) S.à r.l..

The Management Company will be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them.

The terms and conditions of the remuneration of the Management Company appear in Section XIV. "Charges and Expenses".

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk-taking which is inconsistent with the risk profiles, rules, this Prospectus nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").



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

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the investors and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- › the remuneration of the staff, including senior management, complies with the applicable laws and regulations, including, without limitation, the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575), taking into consideration the risk profile, appetite and risk strategy of the Management Company and each of the funds under its management.
- › in both qualitative or quantitative terms, the Remuneration Policy promotes sound and effective risk management, including with respect to sustainability risks.
- › 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.

Details of the Remuneration Policy is available on the website [www.one-gs.com](http://www.one-gs.com). A paper copy of the summarised Remuneration Policy is available free of charge to the shareholders upon request.

### ***The Fund Manager***

With the consent of the Board of Directors of the Investment Company, the Management Company has appointed LIMMAT CAPITAL ALTERNATIVE INVESTMENTS AG, Riesbachstrasse 57, CH-8008 Zurich, Switzerland as Fund Manager of the sub-fund LC Equity Fund (UCITS) of the Investment Company ("Fund Manager"). The Fund Manager is authorised to manage assets in its country of domicile and is subject to supervision by the Swiss Financial Market Supervisory Authority ("FINMA").

The Fund Manager is, in particular, responsible for the independent daily implementation of the investment policy of the sub-fund and the management of the day-to-day transactions related to asset management and other related services under the authority, responsibility and control of the Management Company and ultimately the Board of Directors. These tasks are fulfilled while observing the investment principles of the investment objective, the investment policy and the investment restrictions of the sub-fund concerned as described in this Prospectus and the legal restrictions.

The Fund Manager is authorised to select agents and brokers to execute transactions in the assets of the sub-fund. Investment decision-making and order placement are the responsibility of the Fund Manager.

The Fund Manager has the right, at its own expense and responsibility, to consult with third parties.

With the approval of the Management Company, the Fund Manager may delegate some or all of its principal duties to third parties; the Fund Manager is entirely responsible for the remuneration of the third parties. In such an event, this Prospectus will be amended accordingly.

The Fund Manager bears all the expenses it incurs in connection with the services it provides. Brokerage commissions, transaction fees, and other operating expenses incurred in connection with the acquisition and sale of assets are borne by the sub-fund.

### ***Distributor in Switzerland***

With the consent of the Board of Directors of the Investment Company, the Management Company has appointed LIMMAT CAPITAL ALTERNATIVE INVESTMENTS AG, Riesbachstrasse 57, CH-8008 Zurich, Switzerland as the distributor ("Global Distributor") of the Investment Company in Switzerland. The Distributor obtained an authorisation to manage assets and, therefore, to distribute fund units to qualified investors in its country of domicile and is subject to supervision by FINMA. Subject to prior approval by the Management Company, the Distributor may appoint additional sub-distributors to distribute the shares of the sub-funds of the Investment Company.

## **Depositary and Luxembourg Paying Agent**

Elavon Financial Services DAC, Luxembourg Branch has been appointed as Depositary (the "Depositary") of the Investment Company in accordance with the depositary agreement (the "Depositary Agreement"). The Depositary will also provide paying agent services to the Investment Company.

Elavon Financial Services DAC is a credit institution under Irish law and was established for an indefinite period. The registered office is located at Building 8, Cherrywood Business Park, Longhliston, Dublin D18 W319, Ireland. It will provide the services acting through its Luxembourg branch located in the Grand Duchy of Luxembourg at 4 rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

The Depositary has been appointed for the safe custody of the assets of the Investment Company in the form of holding in safe custody financial instruments, keeping accounts and controlling ownership of other assets of the Investment Company, and for the effective and appropriate monitoring of the cash flows of the Investment Company in accordance with the provisions of the Law of 17 December 2010 and the Depositary Agreement.

In addition, the Depositary shall ensure that

- i. the sale, issue, repurchase, redemption and cancellation of shares are effected in accordance with Luxembourg law and the Articles of Association;
- ii. the value of the shares is calculated in accordance with Luxembourg law and the Articles of Association;
- iii. the instructions of the Management Company or the Investment Company are executed, provided they do not conflict with Luxembourg law and/or the Articles of Association;
- iv. for transactions relating to the assets of the Investment Company, the consideration is credited to the Investment Company within the usual time limits;
- v. the income of the Investment Company is used in accordance with Luxembourg law and the Articles of Association.

In accordance with the provisions of the Depositary Agreement and the Law of 17 December 2010, subject to certain conditions and in order to effectively fulfil its obligations, the Depositary may delegate all or part of its safe custody obligations with respect to financial instruments that may be held in custody and are properly entrusted to the Depositary for safekeeping, to one or more sub-depositaries and/or in respect of other assets of the Investment Company, it may delegate its obligations in respect of the keeping of accounts and the verification of ownership to other representatives appointed by the Depositary from time to time. The Depositary shall select and appoint sub-depositaries and/or other delegates to whom it wishes to delegate part of its functions with the expertise, due diligence and care required by the Law of 17 December 2010 and shall continue to regularly review and monitor all sub-depositaries and/or any other representatives to whom it has delegated part of its functions and the actions of the sub-depositaries and/or other delegates with respect to matters entrusted to them with the required expertise, due diligence and care. In particular, custodial duties may only be delegated if, in carrying out the tasks assigned to it, the sub-depositary holds the assets of the Investment Company separate from the assets of the Depositary and the assets of the sub-depositary at all times in accordance with the Law of 17 December 2010.

If the sub-depositaries are duly authorised to appoint additional representatives to hold financial instruments of the Investment Company or the sub-funds which may be held in custody, the Depositary will require the sub-depositaries to comply with the requirements of applicable laws and regulations for the purpose of such sub-delegation, e.g., in particular with respect to the separation of assets.

A current list of such sub-depositaries and their delegates for the custody of the financial instruments of the Investment Company or the sub-funds is available to shareholders and investors on request.

The liability of the Depositary shall not be affected by the delegation to a sub-depositary unless the Law of 17 December 2010 and/or the Depositary Agreement stipulates otherwise.

The Depositary shall be liable to the Investment Company or its shareholders for the loss of financial instruments held by it and/or a sub-depositary. In the event of the loss of such a financial instrument, the Depositary must immediately return to the Investment Company an identical financial instrument or the corresponding amount. In accordance with the provisions of the Law of 17 December 2010, the Depositary shall not be liable for the loss of a financial instrument if the loss is the result of an external event over which the Depositary had no reasonable influence and whose consequences would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Investment Company or its shareholders for any other losses incurred by them in the event of any breach of their statutory obligations caused by negligence or wilful misconduct on the part of the Depositary, in particular in accordance with the Law of 17 December 2010 and/or their obligations under the Depositary Agreement.

The Investment Company and the Depositary may terminate the Depositary Agreement at any time upon ninety (90) days' written notice. In the event of voluntary termination of the Depositary or its dismissal by the Investment Company, the Depositary shall be replaced by a successor to whom the assets of the Investment Company shall be transferred and who shall assume the functions and responsibilities of the Depositary no later than two (2) months after the expiry of the aforementioned period of notice. If the Investment Company fails to appoint such a successor in a timely manner, the Depositary may report the situation to the CSSF. The Investment Company shall take any necessary steps to arrange for the liquidation of the Investment Company if no successor has been appointed within two (2) months after the expiry of the ninety (90) day period of the notice referred to above.

A regularly updated overview of the sub-custodians can be provided by the Depositary on request.

On request, the Management Company will provide shareholders with up-to-date information on the identity of the Depositary of the Fund, the description of the duties of the Depositary and the conflicts of interest that may arise and the description of all of the custodial functions delegated by the Depositary, the list of sub-custodians or custodians and disclosure of all conflicts of interest that may arise from the delegation of duties.

The designation of the Depositary and/or the sub-custodian can give rise to potential conflicts of interest, which are described in more detail in the section "Potential Conflicts of Interest".

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

With the agreement of the Board of Directors of the Investment Company, U.S. Bank Global Fund Services (Luxembourg) S.à r.l., with its registered office at 4 rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg, has been appointed as Central Administration Agent, Registrar and Transfer Agent of the Investment Company ("Central Administration Agent"/"Registrar and Transfer Agent").

The Central Administration Agent is, in particular, responsible for accounting, calculation of the net asset value per share and the preparation of the annual accounts.

Under its own responsibility and supervision, the Central Administration Agent may outsource its activities to third parties.

The duties of the Registrar and Transfer Agent consist of executing applications and orders for the subscription, redemption, conversion and transfer of shares and maintaining the share register.

### **Domiciliary Agent**

ONE corporate S.à r.l., with registered office at 4, rue Peternelchen, L - 2370 Howald, Grand Duchy of Luxembourg and registered with the R.C.S. under number B240161, will act as the Investment Company's domiciliary agent (the "Domiciliary Agent").

### **Legal position of shareholders**

The Management Company or a fund manager appointed by it invests the respective sub-fund assets in its own name and for the account of the Investment Company in accordance with the principle of risk diversification in securities and/or other permissible assets pursuant to Article 41(1) of the Law of 17 December 2010. The money invested and the assets so acquired make up the sub-fund assets, which are held separately from the assets of the Management Company and the relevant fund manager.

The shareholders hold an interest in the sub-fund's assets, which is reflected by the number of shares held. The shares in the sub-fund are issued in the type of securitisation and denomination listed in the relevant supplement. If registered shares are issued, they will be entered into the share register maintained for the Investment Company by the Registrar and Transfer Agent. In this regard, confirmations relating to such entry in the share register will be sent to the shareholders at the addresses listed in the share register. No claim can be made on the issue of physical securities.

All shares have the same rights unless the Investment Company decides to issue various share classes within a sub-fund pursuant to Article 11(7) of the Articles of Association.

The Investment Company shall inform shareholders of the fact that all shareholders can only assert their shareholder rights in their entirety directly against the Investment Company, in particular the right to participate in general meetings of shareholders, if the shareholder is entered into the Investment Company's shareholder register. In cases where the shareholder has invested in a sub-fund through an intermediary that has made the investment in its own name but on behalf of the shareholder, all of the shareholder rights may not necessarily be asserted by the shareholder directly vis-à-vis the Investment Company. Shareholders are advised to seek advice on their rights in such a situation.

### **General notice on trading shares**

The investments are intended to be long-term. Market timing means the application of arbitrage transactions, i.e., shareholders systematically subscribe, redeem or convert shares of each sub-fund within a short period of time, making use of time zones and/or inefficiencies or weaknesses of the valuation system used for calculating the net asset value of the sub-fund. The Investment Company shall take the appropriate protection and/or control measures to prevent such practices.

Therefore, the Investment Company also reserves the right to reject a shareholder's application for subscription or conversion if the suspicion exists that the shareholder is making use of market timing.

Purchasing and selling shares after the close of trading at the closing price that has already been established or is expected (late trading) is strictly rejected by the Investment Company. The Investment Company ensures that the issue and redemption of shares are settled on the basis of a net asset value per share previously unknown to the shareholder. If, however, there is the suspicion that a shareholder is engaging in late trading, the Investment Company may refuse to accept the subscription or redemption application until such time as the person who submitted the application clarifies all uncertainties in relation to his subscription application.

The possibility that shares of each sub-fund may be traded on other markets cannot be ruled out. (Example: inclusion in over-the-counter trading on an exchange).

The market price underlying exchange trading or trading on other markets is not determined exclusively by the value of the assets held in the assets of the sub-fund; the price is also determined by supply and demand. For this reason, this market price may deviate from the share price determined.

### **General investment objectives, policy, and risks**

The objective of the investment policy of the respective sub-fund is to achieve long-term capital appreciation in the currency of the Fund or the share class (as defined in Article 10 No. 2 of the Articles of Association in conjunction with the corresponding Supplement to the Prospectus) while adequately diversifying risks.

Investments in each of the Investment Company's sub-funds are subject to market fluctuations and the other typical risks of investing in securities.

The specific investment policy of each sub-fund is described in the relevant Supplement to the Prospectus.

The value of the investment may be affected by national and international macroeconomic developments, interest rate fluctuations, or changes in the currencies of the investment countries, as well as by exchange control regulations, the tax legislation of the individual investment countries, including withholding tax regulations, by changes in government or by changes in economic and monetary policy in the respective countries. Therefore, no guarantee can be given that the investment objectives will actually be achieved.

The general investment principles and investment restrictions presented in Article 4 of the Articles of Association apply to the sub-funds concerned unless the respective Supplement to the Prospectus for the sub-fund provides for derogations or supplements.

The assets of each sub-fund are invested on the principle of risk diversification as defined in the regulations of Part I of the Law of 17 December 2010 and in accordance with the investment policy set forth for the sub-fund in the Supplement to the Prospectus and within the framework of the investment policy principles, investment guidelines and restrictions described in Article 4 of the Articles of Association.

No guarantee can be given that the portfolios of the sub-funds are effectively hedged or that the sub-funds will actually achieve their investment objectives.

**Information on the handling of sustainability risks and the strategies defined for this purpose can be found on the management company's website [www.one-gs.com](http://www.one-gs.com) and on the Fund Manager's website [www.limmatcapital.ch](http://www.limmatcapital.ch).**

### **Notes on derivatives and other techniques and instruments**

Pursuant to the "General investment principles and investment restrictions" listed in Article 4 of the Articles of Association, the Management Company or Fund Manager (as the case may be) may, in particular, make use of derivatives, securities financing transactions and other techniques and instruments for the sub-fund within the framework of efficient portfolio management: The counterparties or financial counterparties within the meaning of Article 3 (3) of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on the transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 ("SFTR") in respect of the aforementioned transactions shall be regulated institutions and belong to a category approved by the CSSF. The counterparty must also specialise in transactions of this kind. When selecting counterparties or financial counterparties in the context of securities financing transactions and total return swaps, criteria such as legal status, country of origin and creditworthiness of the counterparty are taken into account. The counterparties or financial counterparties must be subject to government supervision and have a corresponding rating.

When selecting counterparties or financial counterparties, the following criteria will be taken into account (initially and on an ongoing basis) by the Fund Manager- the counterparties or financial counterparties must be reputable financial institutions located in OECD countries and have adequate experience and expertise in providing and facilitating dealing in such derivative instruments or processing transactions of such derivative instruments and are subject to regulatory supervision. In addition, the intended counterparty or financial counterparty must have a minimum credit rating of BBB- (S&P, Fitch) or Baa3 (Moody's). Based on the selection criteria, the Fund Manager has selected and the Management Company has consented to appointing (i) Credit Suisse (Switzerland) Ltd and (ii) Morgan Stanley & Co. International plc. as swap counterparties. The swap counterparties satisfy the minimum credit rating listed above, are subject to regulatory supervision, possess the required resources and skills to initiate, process, and facilitate transactions and are domiciled in an OECD country.

Derivatives and other techniques and instruments are associated with significant opportunities but also with a high level of risks. Due to the leverage effect of these products, the respective sub-fund may incur high losses with relatively low capital investment. The following is a non-exhaustive list of the derivatives, techniques and instruments that can be used for the respective sub-fund:

#### **1. Options**

An option right is a right to buy ("call option") or sell ("put option") a particular asset at a predetermined time ("exercise date") or during a predetermined period at a predetermined price ("strike price"). The price of a put or call option is the option premium.

For the sub-fund, both call and put options may only be bought or sold insofar as the sub-fund is permitted to invest in the underlying assets pursuant to its investment policy as specified in the Supplement.

#### **2. Financial futures**

Financial futures are agreements which unconditionally bind both counterparties to buy or sell a specified volume of a specified underlying at a previously agreed price on a specified payment date, the maturity date.

For the sub-funds of the Investment Company, financial futures may only be entered into insofar as the respective sub-funds may invest in the underlying assets consistent with their investment policy specified in the Supplement.

#### **3. Derivatives embedded in financial instruments**

Financial instruments with embedded derivatives may be acquired for the sub-funds of the Investment Company, provided that the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates or currencies, for example. Financial instruments with embedded derivatives may be, for example, structured products (certificates, reverse convertibles,

warrant bonds, convertible bonds, credit-linked notes, and others) or warrants. The products designed in the concept of derivatives embedded in financial instruments are normally distinguished in that the embedded derivative components affect the cash flows of the entire product. In addition to the risk characteristics of securities, the risk characteristics of derivatives and other techniques instruments must be taken into consideration.

Structured products may be used provided that these products are securities as defined in Article 2 of the Grand Ducal Regulation of 8 February 2008.

#### **4. Securities financing transactions**

Securities financing transactions include, for example,

- > Securities lending transactions
- > Repurchase agreements

##### **4.1 Securities lending**

No repurchase agreements are entered into for the sub-funds of the Investment Company. As a result, no return is generated that can be divided by securities financing transactions.

##### **4.2 Repurchase agreements**

No repurchase agreements are entered into for the sub-funds of the Investment Company.

#### **5. Currency futures**

The Management Company or a fund manager appointed by it may enter into currency futures for the sub-funds of the Investment Company.

Currency futures are agreements which unconditionally bind both counterparties to buy or sell a particular amount of the underlying currencies at a previously agreed price on a specified date, the maturity date.

#### **6. Swaps**

The Management Company or an appointed fund manager may enter into swaps on behalf of each sub-fund within the framework of the investment principles.

A swap is an agreement between two parties to exchange cash flows, assets, returns or risks. Swaps may be structured in various ways, including but not limited to interest rate, currency, equity and credit-default swaps.

An interest rate swap is a transaction in which two parties exchange cash flows based on fixed or variable interest payments. The transaction may be settled by borrowing funds at a fixed interest rate while simultaneously lending funds at a variable interest rate, whereby the nominal amounts of the assets are not swapped.

Currency swaps mostly include the trade of the nominal amounts of the assets. The currency swaps may be settled by taking out a loan in one currency while making a loan in another currency.

A total return swap is a derivative contract as defined in Article 2 number 7 of Regulation (EU) No. 648/2012 in which one counterparty transfers to another counterparty the total return of a reference obligation, including income from interest and fees, gains and losses from volatility and credit losses. Total return swaps may be designed in different versions, inter alia, as an asset swap or equity swap:

Asset swaps, often also called synthetic securities, are transactions that convert returns from a specified asset into another interest-rate flow (fixed or variable) or into another currency by combining the asset (e.g., a bond, floating-rate note, bank deposit, mortgage) with an interest-rate or currency swap.

Equity swaps involve the exchange of cash flows, changes in value and/or income from an asset for cash flows, changes in value and/or income from another asset, with at least one of the exchanged cash flows or income from an asset being an equity or an equity index.

The contract partners cannot influence the composition or management of the investment portfolio of the Investment Company or the underlying assets of the derivatives. Transactions related to the UCITS investment portfolio do not require approval by the counterparty.

The Management Company or a fund manager appointed by it may enter into total return swaps or other derivatives with the same characteristics for the sub-funds of the Investment Company. Total return swaps may be used within the limits of the risk management process applied. The risk management procedures to be applied are described in the relevant sub-fund-specific notes.

The types of assets used in total return swaps may be the types of assets permitted under the investment policy of the relevant sub-fund.

The gross return achieved on the total return swaps, less all related costs, including any transaction costs (net return), is, however, paid in full (100%) to the sub-fund's assets.

## **7. Swaptions**

A swaption is the right, but not the obligation, to enter into a swap of which the conditions have been precisely specified at a set time or within a specific period of time. In addition, the principles presented in regard to options transactions apply.

## **8. Credit risk management techniques**

For each sub-fund, the Management Company can use credit default swaps ("CDS") in order to ensure efficient management of the sub-fund, provided that they have been issued by top-rated financial institutions and are compatible with the investment policy of the sub-fund.

CDS are the most widespread and quantitatively significant instrument within the credit derivatives market. CDS make it possible to separate the credit risk from the underlying credit relationship. This separate tradability of default risks expands the horizon of possibilities for systematic management of risk and income. With a CDS, a protection buyer hedges specific risks for a fixed term from a credit relationship against payment of a periodic premium to the protection seller based on the nominal amount for assuming the credit risk. This premium is based, among other things, on the quality of the underlying reference debtor(s) (credit risk). The risks to be transferred (e.g., default risks) have a set definition in advance as so-called credit events. If no credit event occurs, the CDS seller is not required to make any payment. However, if a credit event occurs, the seller pays an amount defined in advance, for example, the nominal value or a settlement payment in the amount of the difference between the nominal value of the reference asset and its market value after the occurrence of the credit event (cash settlement). The purchaser then has the right to offer an asset of the reference debtor qualified in the agreement while the premium payments of the purchaser are stopped from that date. The sub-fund may enter into a transaction as a protection buyer or protection seller.

CDS are not sold on exchanges (OTC market), and more specific, non-standard requirements of both contracting parties may be met – at the cost of lower liquidity.

An engagement in the obligations arising from the CDS must be both in the exclusive interest of the sub-fund and in agreement with its investment policy. Both the bonds underlying the CDS and the respective issuer must be taken into account with regard to the investment limits set out in Article 4 of the Articles of Association.

Credit default swaps are valued on a regular basis using clear and transparent methods. The Management Company and the Auditor monitor the clarity and transparency of the valuation methods and their application. If this monitoring uncovers any differences, the Management Company will arrange for them to be remedied.

## **9. Remarks**

Direct/indirect costs which are charged to the assets of the respective sub-fund or which reduce the assets of the respective sub-fund may be incurred through the use of techniques and instruments for efficient portfolio management. These costs may be charged to the Investment Company and the relevant sub-fund by third parties as well as parties related to the Management Company or Depositary.

The above-listed techniques and instruments may also be expanded by the Management Company or by a fund manager appointed by it, if necessary, if new instruments or techniques appear on the market and can assist in achieving the

investment objective. The sub-fund is permitted to use such new instruments and techniques in accordance with the supervisory and legal provisions.

## **General Risk Disclosures**

### **General market risk**

The assets in which the Management Company or a fund manager appointed by it invests on behalf of the respective sub-fund carry risks and opportunities to create additional value. If a sub-fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies in the markets, particularly the securities markets, which are, in turn, exposed to and affected by diverse and sometimes irrational factors. Losses may occur when the market value of the assets decreases with respect to the cost price. If a shareholder sells shares in the sub-fund at a time when the value of the assets in the sub-fund has declined since the time of the initial share purchase, the shareholder will not receive the full amount of the money initially invested in the sub-fund. Although the sub-fund always seeks to increase its value, there is no guarantee that the sub-fund will achieve positive performance. The shareholder's risk is, however, limited to the amount invested. There is no additional funding obligation concerning the money invested.

### **Interest rate risk**

Investing in fixed-income securities entails a risk that the market interest rate at the time of issuance of a security could change. If market rates increase with respect to the interest rate at the time of issue, fixed-income securities will generally decrease in value. On the other hand, if market interest rates fall, then the price of fixed-income securities will rise. The change in fixed-income securities' price given a change in interest rates is known as duration. This price trend means that the current return from a fixed-income security is roughly equivalent to the current market interest rate. However, such fluctuations can have different consequences, depending on the maturity of fixed-income securities. Fixed-income securities with shorter maturities generally have lower price risks than fixed-income securities with longer maturities. On the other hand, fixed-income securities with shorter maturities generally have lower returns compared to fixed-income securities with longer maturities. Other factors affecting duration include the coupon rate as well as yield-to-maturity (YTM) which is, in turn, affected by the price and the remaining tenor of the security.

### **Risk of negative credit interest**

The Management Company invests the liquid assets of the sub-fund at the Depositary or other credit institutions on behalf of the sub-fund. Some of these deposits with banks are subject to an interest rate that corresponds to international interest rates less a certain margin. If these interest rates fall below the agreed margin, this leads to negative interest on the corresponding account. Depending on the development of the interest rate policy of the respective central banks, short-term, medium-term, and long-term bank balances may generate negative interest rates.

### **Credit risk**

The creditworthiness (ability and willingness to pay) of the issuer of securities or money market instruments held directly or indirectly by the sub-fund may subsequently decrease. This generally leads to a fall in the price of the security concerned, in excess of general market fluctuations.

### **Company-specific risk**

The performance of securities and money market instruments held directly or indirectly by the sub-fund is also dependent on company-specific factors, such as the business-economic situation of the issuer. If company-specific factors deteriorate, the price of the security concerned may decrease significantly and permanently, despite an otherwise generally positive stock market performance.

### **Counterparty default risk**

The issuer of securities held directly or indirectly by the sub-fund or the debtor of a claim belonging to the sub-fund may become insolvent. The corresponding assets of the sub-fund may become economically worthless as a result.



## Counterparty risk

Where transactions are not performed through a stock exchange or regulated market ("OTC transactions"), or securities financing transactions are entered into, there is a risk – above and beyond the general counterparty default risk – of the counterparty of the transaction failing or being unable to meet all of its obligations. This applies particularly to transactions involving techniques and instruments. The Management Company may accept collateral to reduce counterparty risk in the case of OTC derivatives and securities financing transactions. This is done in compliance with and consideration of the requirements of the ESMA Guideline 2014/937. Cash, government bonds, or debentures of public international bodies to which one or more Member States of the European Union belong, as well as covered bonds, may be accepted as collateral. The cash collateral received is not reinvested. Other collateral received is not sold, reinvested or pledged. In respect of collateral received, the Management Company applies markdowns progressively, taking into account the specific features of the collateral and of the issuer (known as a haircut strategy). The following table lists the details on the respective lowest valuation haircuts applied for each type of security:

<b>Collateral</b>	<b>Minimum haircut</b>
Cash (fund currency)	0%
Cash (foreign currency)	0%
Government bonds	0.50%
Bonds issued by public international bodies to which one or more Member States of the European Union belong and covered bonds	0.50%

Additional details on the applied haircuts can be made available by the Management Company upon request at any time and free of charge.

Collateral received by the Management Company in connection with OTC derivatives and securities financing transactions must meet the following criteria, among others:

- i. Non-cash collateral should be sufficiently liquid and be traded on a regulated market or within a multilateral trading system.
- ii. The collateral is monitored and valued in accordance with the market on a daily basis.
- iii. Collateral with high price volatility should not be accepted without adequate haircuts (markdowns).
- iv. The issuer should have a high credit rating.
- v. Collateral must be adequately diversified in terms of countries, markets and issuers.
- vi. Collateral not rendered in cash must be issued by a company unrelated to the counterparty.

There are no specifications for restriction of the remaining terms of collateral.

Collateral is based on individual contractual agreements between the counterparty and the Management Company. These define, among other things, the type and quality of the collateral, haircuts, allowances and minimum transfer amounts. The values of OTC derivatives and any collateral already provided are determined on a daily basis. If an increase or reduction of collateral is necessary based on the individual contractual conditions, this will be requested or claimed back from the counterparty. Details of the agreements can be requested from the Management Company at any time free of charge.

With regard to the risk diversification of the collateral received, the maximum exposure to a particular issuer may not exceed 20% of the sub-fund's net assets. By way of derogation from this, the provisions of Article 4(5)(h) of the Articles of Association shall apply with respect to the issuer risk in obtaining collateral from certain issuers.

The Management Company may accept securities as collateral for the account of the respective sub-fund in connection with derivative and securities financing transactions. If these securities have been transferred as collateral, they must be kept at the Depository. If the Management Company has pledged the securities as collateral in derivative transactions, custody is at the discretion of the protection buyer.

Depending on the format of swaps, a future change in the market interest rate (interest rate risk) or the failure of the other party (counterparty risk) or a change in the underlying can have an impact on the valuation of swaps. In general, future changes in (the value of) underlying cash flows, assets, income, or risks can lead to gains as well as losses in the sub-fund.

## **Currency risk**

If the sub-fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to currency risk (if foreign currency positions are not hedged). Any depreciation of the foreign currency against the base currency of the sub-fund will lead to a reduction in the value of assets denominated in the foreign currency.

Share classes whose currency is not the respective sub-fund currency may be subject to currency risk. This currency risk can be hedged against the sub-fund currency in individual cases.

## **Specific risks associated with currency-hedged share classes**

Share classes whose currency is not the respective sub-fund currency are subject to a currency risk that can be hedged by using financial derivatives. The costs, liabilities and/or benefits associated with this hedging are borne exclusively by the relevant share class.

By using financial derivatives for only one share class, counterparty risks and operational risks may also arise for investors in other share classes of the sub-fund.

Hedging is used to reduce any exchange rate fluctuations between the sub-fund currency and the hedged share class currency. The purpose of this hedging strategy is to align the currency exposure of the hedged share class in such a way that the performance of the hedged share class follows as closely as possible the performance of a share class in the sub-fund currency.

The use of this hedging strategy may provide the shareholder of the relevant share class with significant protection against the risk of declines in the value of the share class currency to the value of the sub-fund currency. However, it may also result in shareholders of the hedged share class not being able to benefit from an increase in value against the sub-fund currency. There may also be mismatches between the currency position of the sub-fund and the currency position of the hedged share class, particularly in the event of severe market dislocations.

In the event of a net flow in the hedged share class, this currency hedge may only be effected or adjusted retrospectively so that it is only reflected in the net asset value of the hedged share class at a later date.

## **Sector risk**

Where a sub-fund's investments are focused on particular sectors, this reduces the diversification of risk. As a result, a sub-fund will be particularly dependent both on general market trends as well as trends within a particular sector and industry group.

## **Country/region risk**

If the sub-fund's investments are concentrated in particular countries or geographic regions, this likewise reduces the diversification of risk. As a result, the sub-fund will be particularly dependent on individual or interrelated countries and regions and on the companies based and/or operating in those countries and regions.

## **Legal and tax risk**

The legal and tax treatment of the sub-fund may change in ways that cannot be predicted or influenced.

## **Country and transfer risks**

Economic or political instability in countries where the sub-fund is invested may mean that the sub-fund does not receive all or part of the monies due to it, or does not receive those monies on a timely basis or receives them in a foreign currency, despite the solvency of the issuer of the securities or other assets concerned. This may be due to, e.g., foreign exchange controls, transfer restrictions or a lack of transferability or willingness to transfer or other legal changes. If the issuer pays in a different currency, this position is also subject to currency risk.

### **Liquidity risk**

Assets and derivatives which are not admitted to trading on a stock exchange or admitted to trading on or included in another organised market may also be acquired on behalf of the Sub-fund. It may occur that these assets can only be resold at a significant mark-down, with a delay or not at all. It may not be possible to sell even assets admitted to trading on a stock exchange, or only to do so with high mark-downs in price, depending on the market situation, volume, timeframe and budgeted costs. Although only assets which can in principle be liquidated at any time may be acquired for the Sub-fund, it cannot be ruled out that it might only be possible, temporarily or permanently, to sell them at a loss.

There is also a risk that the Sub-fund will suffer liquidity issues because of an unusually high volume of redemption requests. In such case the Sub-fund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

### **Custody risk**

When assets are held in custody, there is a risk of loss resulting from the insolvency or violation of due diligence on the part of the Depositary or a sub-custodian or resulting from external events.

### **Emerging markets risks**

Investments in emerging markets are investments in countries that, according to the World Bank's definition, do not fall in the category of "high gross national income per capita", i.e., that are not classified as "developed". In addition to the specific risks of the specific investment class, investments in these countries are typically exposed to higher risks, to a particular degree to the liquidity risk and general market risk. Political, economic or social instability or diplomatic developments in emerging countries may have a negative effect on investments in those countries. Greater risks may also occur when processing transactions in securities from these countries, leading to losses for investors, in particular because the delivery of securities concurrently against payment is not possible or usual in those countries.

In emerging markets, the legal and regulatory environment and the accounting, auditing and reporting standards may also differ significantly from generally accepted accounting principles in the developed world, which may be to the investor's disadvantage. This may not only result in differences in state supervision and regulation but may also entail further risks in the enforcement and settlement of claims of the sub-fund. Greater custody risk may also arise in such countries, due in particular to the different ways of acquiring title to purchased assets. Emerging markets are generally more volatile and less liquid than markets in industrialised countries, which can result in increased volatility of the shares of the sub-fund.

### **Inflation risk**

Inflation risk means the risk of suffering financial losses owing to inflation. Inflation can significantly reduce the return of the sub-fund and the intrinsic value of the investment in terms of purchasing power. Different currencies are affected by inflation risk to varying degrees.

### **Concentration risk**

Additional risks may arise from a concentration of investments in particular assets or markets. In such cases, events affecting these assets or markets may have a greater impact on the sub-fund's assets, resulting in relatively greater losses for the sub-fund's assets than would be the case with a more diversified investment policy.

### **Performance risk**

In the absence of a guarantee from a third party, there can be no definite promise of positive performance. Furthermore, assets acquired for a sub-fund may perform differently from the expectation at the time of purchase.

### **Force majeure risk**

Force majeure refers to events whose occurrence cannot be controlled by the persons affected. These include, for example, serious traffic accidents, pandemics, earthquakes, floods, hurricanes, nuclear energy accidents, war and terrorism, design and construction defects beyond the control of the Fund, environmental legislation, general economic circumstances or labour disputes. To the extent that a sub-fund is affected by one or more force majeure events, this may result in losses, up to and including total losses of the respective sub-fund.

### **Sustainability risks**

The occurrence of an event or condition in the areas of environment, social or governance ("ESG"), the occurrence of which could actually or potentially have a material adverse effect on the value of the investment and thus on the performance of the sub-fund, is considered a sustainability risk. Sustainability risks can significantly impact other risk types, such as market price risks or counterparty default risks, and can materially affect the risk within these risk types. Failure to consider ESG risks could have a negative impact on returns in the long term.

### **Risks arising from the ESG strategy**

To the extent that ESG criteria are considered as a component in the investment decision-making process for a sub-fund in accordance with its investment strategy, the choice of target investments may be limited, and the performance of the sub-fund compared to funds without consideration of ESG criteria could be reduced. The decision as to which component is decisive from an overall risk and return perspective is subject to the subjective assessment of the Fund Manager.

### **Settlement risk**

In settlement of securities transactions, there is the risk that one of the parties to the transaction does not pay, pays with a delay or does not pay in accordance with the transaction details, and/or does not deliver the securities at all or does not deliver them on time. The settlement risk also exists with the reversal of securities for the sub-fund.

### **Risks in the use of derivatives and other techniques and instruments**

Due to the leverage effect of options, the value of the sub-fund's assets may be more strongly affected – both positively and negatively – than is the case where securities and other assets are acquired directly; this being so, their use entails particular risks.

Financial futures contracts used for a purpose other than hedging are also associated with significant opportunities and risks since only a fraction of the contract size (margin) must be paid immediately.

Price changes can therefore lead to significant gains or losses. As a result, the risk and volatility of the sub-fund may be increased.

Depending on the format of swaps, a future change in the market interest rate (interest rate risk) or the failure of the other party (counterparty risk) or a change in the underlying can have an impact on the valuation of swaps. In general, future changes in (the value of) underlying cash flows, assets, income, or risks can lead to gains as well as losses in the sub-fund.

Techniques and instruments are associated with specific investment risks and liquidity risks. Since the use of derivatives embedded in financial instruments can be associated with a leverage effect, the use thereof can lead to strong fluctuations – both positive and negative – in the value of the sub-fund assets.

### **Risks associated with the receipt and provision of collateral**

The Fund Manager receives or provides collateral for OTC derivatives and securities financing transactions. OTC derivatives and securities financing transactions may change in value. There is a risk that the collateral received will no longer be sufficient to cover the Fund Manager's claim for delivery or retransfer of the full amount owed to the counterparty. In order to minimise this risk, the Fund Manager or a third party appointed by it will reconcile the value of collateral with the value of OTC derivatives and securities financing transactions on a daily basis within the framework of collateral management and demand additional collateral in consultation with the counterparty.

Cash, government bonds or bonds issued by public international bodies to which one or more Member States of the European Union belong and covered bonds can be accepted as collateral. However, the credit institution where cash is held may default. Government bonds and bonds issued by international institutions may develop negatively. In the event of a default in the transaction, the invested collateral could no longer be available in full, taking into account or despite consideration of haircuts, although the fund's originally granted amount must be repaid by the Fund Manager for the sub-fund. In order to minimise this risk, the Fund Manager reviews the values on a daily basis as part of collateral management and agrees to provide additional collateral in the event of increased risk. The correlation of items of collateral amongst each other is not taken into account.

### **Risks associated with target funds**

The risks of the target fund units acquired for the sub-fund's assets are closely related to the risks of the assets contained in these target funds and the investment strategies they pursue. However, the risks mentioned above can be reduced by diversifying the assets within the investment funds whose units are acquired and spreading them among these sub-fund assets.

However, since the managers of the individual target funds act independently of each other, it can also happen that several target funds pursue the same or opposing investment strategies. This can result in the accumulation of risks, and potential opportunities may be offset against each other.

As a rule, it is not possible for the Fund Manager to control the management of the target funds. Their investment decisions do not necessarily have to be consistent with the Investment Company's assumptions or expectations.

The Fund Manager will often not be aware of the current composition of the target funds in real-time. If the composition does not correspond to its assumptions or expectations, it may only react by returning target fund units with a considerable delay.

Open-ended investment funds in which the sub-fund purchases shares could also temporarily suspend the redemption of units. The Fund Manager is then prevented from selling the units in the target fund by returning them to the management company or depositary of the target fund against payment of the redemption price.

Furthermore, fees may generally be charged at the level of the target fund when target funds are acquired. This means that there is a double charge for investing in target funds.

### **Risk of suspension of redemption**

Shareholders are, in principle, entitled to request daily redemption of their shares from the Management Company. However, the Management Company may temporarily suspend redemption of shares in exceptional circumstances and only redeem the shares later at a price then applicable (see also article 11 of the Articles of Incorporation "Suspension of calculation of net asset value per share" and article 14 of the Articles of Incorporation "Redemption and conversion of shares"). Accordingly, this price may be lower than it was prior to the suspension of redemption.

The Management Company may also be obligated to suspend redemption if one or more funds whose units have been acquired for the sub-fund for their part suspend redemption and these account for a significant proportion of the net assets of the sub-fund.

### **Risks in connection with the acquisition of distressed securities**

Individual sub-funds may invest in distressed securities in accordance with their investment policy. Distressed securities are securities of companies that are in bankruptcy, otherwise threatened with default or otherwise experiencing economic difficulties. These circumstances, if not already done, result in a rating downgrade such that these securities are generally in the "speculative grade" range or worse. Such securities involve significant risks, and the earnings situation is highly uncertain. There is a risk that restructuring plans, exchange offers, etc., may not be feasible and may have a negative impact on the value of these securities. The value of investments in these securities may fluctuate widely as it depends on the issuer's future circumstances that are not known at the time of investment. These securities may only be resold at a high discount, with a time lag or not at all. There is a risk of a complete default so that the sub-fund loses its entire investment in the securities concerned.

## **Risks in connection with the acquisition of contingent convertible bonds ("CoCo bonds")**

CoCo bonds are perpetual subordinated debt instruments which are converted from debt into equity of the issuing company, usually banks, according to predefined criteria ("trigger events"; e.g., falling below a defined equity ratio). In contrast to traditional convertible bonds, the investor does not have the right to choose. Depending on the structure, either a mandatory conversion into shares or a partial or full write-down can take place. In the case of conversion, the investor changes from a lender to an equity investor. With regard to the same issuer, CoCo bond investors may suffer a capital loss before equity investors under certain circumstances.

Coco-Bonds may be subject to other special risks such as.

- > **Trigger level risk**

Threshold levels can be applied in different ways and determine the risk of conversion or write-down depending on the distance between equity and the threshold level. In the context of a mandatory conversion, the CoCo-Bonds can be converted into equity securities. CoCo bond investors may lose their invested capital in the event of a write-down or conversion. Transparency is critical to mitigating the risk.
- > **Coupon Cancellation Risk**

CoCo bond investors face the risk of not receiving all expected coupon payments. Coupon payments can be suspended by the issuer at any time, without predetermined cause, and for any period of time. Upon resumption, there is a risk that deferred coupon payments will not be paid.
- > **Capital structure inversion risk**

Under certain circumstances, CoCo bond investors may suffer losses if the trigger is triggered before equity holders (contrary to the classical capital hierarchy).
- > **Rollover risk**

CoCo-Bonds are issued as instruments with an indefinite maturity, which can only be called at predefined levels with the approval of the relevant authority. Due to the flexible callability of CoCo-Bonds, there is a possibility that the maturity of the bond will be postponed, and thus the investor will not receive the principal repayment at the expected time, which may lead to a change in the yield and valuation of the CoCo-Bond as well as a deteriorated liquidity situation in the sub-fund.
- > **Unknown risks**

The structure of CoCo-Bonds is innovative and not yet tested. Effects of tense market phases on the underlying characteristics of CoCo-Bonds are not yet clearly classifiable.
- > **Yield/valuation risks**

The often-attractive yield, which is due to the aforementioned risks and the complexity of these investments, is the primary reason to invest in CoCo bonds. However, to date, there is no assurance that investors sufficiently consider the underlying risks as part of the valuation and risk measurement process.

The foregoing list of risk factors is not an exhaustive presentation of all risks associated with an investment in CoCo bonds. Activation of the trigger or suspension of coupon payments by an individual issuer may, under certain circumstances, lead to an overreaction and consequently to an increase in volatility as well as illiquidity for the entire asset class. In an illiquid market, pricing may also come under pressure.

Further information regarding potential risks of investing in CoCo bonds can be found in the Notice of the European Securities and Markets Authority (ESMA/2014/944) dated July 31, 2014.

## **Risks of Investing in Asset-Backed Securities**

Asset-backed securities ("ABS") is the generic term for a bond issued by an issuer that is backed or collateralized by an underlying pool of assets. The underlying assets are usually loan receivables. These are bundled in a pool of receivables that is managed in trust by a financing company. This special purpose entity securitizes the receivables and resells them to investors. These are highly complex financial instruments whose risks are correspondingly difficult to assess. Mortgage-backed securities (MBS) are a subcategory of ABS. MBS are bonds that are backed or collateralized by a pool of receivables secured by real estate liens.

Collateralized debt obligation ("CDO") is another type. CDOs are structured bonds backed by a pool of various types of receivables, in particular loans and mortgages or other receivables such as leases.

ABS are complex and structured securities whose risk potential can only be assessed after detailed analysis. A generally valid assessment is not possible due to their diverse structuring forms. Compared to other interest-bearing securities, these asset-backed securities may be subject to additional or higher risks, including:

- > Counterparty risks  
Changing capital market interest rates may mean that debtors are no longer able to meet their obligations, which may lead to an increase in the counterparty risk in the receivables pool.
- > Liquidity risks  
Despite listing, investments in ABS may be illiquid.
- > Interest rate risks  
Due to early redemption options in the underlying pool, interest rate changes may occur.
- > Credit default risks  
There is a risk that claims from the underlying pool will not be serviced.
- > Reinvestment risks  
Due to the limited tradability, there is a possibility that the sub-fund may not always be fully invested.
- > Default risks  
Despite risk-limiting measures, the default risk inherent in this investment cannot be ruled out and may lead to a total loss.
- > Correlation risk  
The various underlying receivables in a pool may depend on each other and be affected by interdependencies, which are reflected in the valuation of the asset-backed securities. In extreme situations, sharp price losses may occur if a defaulted receivable infects other receivables in the pool.
- > Complexity risks  
The extent of the individual types of risk relating to investments in ABS can often only be estimated due to the complexity of the asset class. More accurate forecasts are only possible for short periods of time. As investments in ABS are generally planned for the longer term, there is a significant risk for shareholders here.

The types of risk described are not exhaustive but represent the main risks of the investment fund. In general, further risks may exist and occur. For example, specifically to MBS securities, prepayment risk notably represents the uncertainty that the cash flows will be different from the scheduled or forecast cash flows as set forth in the loan agreement because of the borrowers' ability to alter payments, usually to take advantage of interest rate movements.

Prepayment risk includes two components: contraction risk and extension risk. The former is the risk of shorter than anticipated maturity in a declining interest rate environment because borrowers have the option to refinance at lower interest rates. The latter is the risk associated with rising interest rates as fewer borrowers will choose to prepay and give up the benefits of a contractual low (locked-in) interest rate.

### **Potential conflicts of interest**

The Management Company, its employees, representatives and/or affiliates may act as directors, investment advisors, fund managers or otherwise as a service provider for the Fund. The Management Company and the Depositary, unless a connection exists between them, have adequate structures to avoid possible conflicts of interest from the connection. If conflicts of interest cannot be prevented, the Management Company and the Depositary will identify, control and monitor them, and if any are found, disclose them. The Management Company is aware that conflicts of interest may arise due to the various activities that it carries out with respect to the administration of the Fund. In accordance with the Law of 17 December 2010 and the applicable regulations of the CSSF, the Management Company has sufficient and appropriate structures and control mechanisms, and, in particular, it acts in the best interests of the Funds. The potential conflicts of interest arising from the delegation of tasks are described in the principles for handling conflicts

of interest. These can be found on the Management Company's website (www.one-gs.com). To the extent that investor interests are affected by the appearance of a conflict of interest, the Management Company will include the nature or sources of the existing conflict of interest in its internal conflicts of interest register. In the outsourcing of tasks to a third party, the Management Company shall ensure that the third parties have taken the necessary and equivalent measures to comply with all requirements on organisation and avoidance of conflicts of interest as they are set down in the applicable Luxembourg laws and regulations, and monitor compliance with these requirements.

## **Risk profiles**

The investment funds managed by the Management Company are classified in one of the following risk profiles. The risk profile of the respective sub-fund can be found in the Supplement. The descriptions of the following profiles have been prepared under the assumption of normally functioning markets. In unforeseen market situations or in the case of market disruptions due to non-functioning markets, further risks may arise besides those mentioned in the risk profile.

### **Risk profile - risk-averse**

The Fund is suitable for risk-averse shareholders. Due to the composition of the net fund assets, there is a low overall risk, accompanied by corresponding income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

### **Risk profile - conservative**

The Fund is suitable for conservative shareholders. Due to the composition of the net fund assets, there is a moderate overall risk, also accompanied by corresponding income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

### **Risk profile - growth-oriented**

The Fund is suitable for growth-oriented shareholders. Due to the composition of the net fund assets, there is a high overall risk, also accompanied by high-income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

### **Risk profile - speculative**

The Fund is suitable for speculative shareholders. Due to the composition of the net fund assets, there is a very high overall risk, also accompanied by very high-income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

## **Risk management process**

The Management Company applies a risk management procedure that enables it to monitor and measure at all times the risks related to the investment positions and their unit of the investment portfolio's total risk profile as well as their share in the total risk profile of the investment portfolio of the funds it manages at any time. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the Management Company reports regularly to the CSSF concerning the risk management process used. The Management Company ensures, within the framework of the risk management process and on the basis of appropriate and reasonable methods, that the overall risk of the managed Funds associated with derivatives does not exceed the total net asset value of their portfolios. For this purpose, the Management Company uses the following methods:

- › Commitment approach:

Under the commitment approach, positions in derivative financial instruments are converted into their corresponding underlying equivalents using the delta method. Netting and hedging effects between derivative financial instruments and their underlying assets are taken into account. The sum of these underlying equivalents may not exceed the total net asset value of the Fund portfolio.



> VaR approach:

The value-at-risk indicator (VaR) is a mathematical, statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss of a portfolio during a certain period (called the holding period) which will not be exceeded with a certain probability (called the confidence level).

> Relative VaR approach:

Under the relative VaR approach, the VaR of the Fund may not be greater than the VaR of a reference portfolio by a factor dependent on the level of the risk profile of the Fund. The regulatory maximum factor is 200%. The reference portfolio must accurately reflect the Fund's investment policy.

> Absolute VaR approach:

With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed a share of the Fund's assets, dependent on the level of the risk profile of the Fund. The regulatory maximum limit is 20% of the Fund's assets.

For funds whose overall risk is calculated using the VaR approach, the Management Company estimates the expected degree of leverage. This degree of leverage may deviate from the actual value depending on the market situation and may be greater or smaller. Investors are advised that this information provides no indication of the risk exposure of the Fund. It is also made explicit that the published expected degree of leverage is not to be understood as an investment limit. The method used to determine the overall risk and, where applicable, disclosure of the reference portfolio, the expected degree of leverage and the method used to calculate it are indicated in the specific Supplement for the Fund.

## **Liquidity Management**

The Management Company has established written policies and procedures for the Fund that enable it to monitor the liquidity risks of the Fund and to ensure that the liquidity profile of the Fund's investments is consistent with the underlying liabilities of the Fund. Taking into account the investment strategy, the Fund's liquidity profile is as follows: the liquidity profile of a Fund is determined in its entirety by its structure in terms of the assets and liabilities contained in the Fund, as well as in terms of the investor structure and the redemption terms defined in the Prospectus.

The policies and procedures include:

- > The management company monitors the liquidity risks that may arise at the level of the fund or the assets. In doing so, it makes an assessment of the liquidity of the assets held in the fund in relation to the fund assets and defines liquidity classes for this purpose. The assessment of liquidity includes, for example, an analysis of the trading volume, complexity or other typical characteristics as well as, if necessary, a qualitative assessment of an asset.
- > The management company monitors liquidity risks that may arise as a result of increased investor demand for unit redemption or large-scale calls. In doing so, it forms expectations about net changes in funds, taking into account available information about empirical values from historical net changes in funds.
- > The management company monitors current receivables and payables of the fund and estimates their impact on the liquidity situation of the fund.
- > The management company has set adequate limits for liquidity risks for the fund. It monitors compliance with these limits and has established procedures in the event that the limits are exceeded or may be exceeded.
- > The procedures established by the management company ensure consistency between liquidity classes, liquidity risk limits and expected net changes in funds.

The Management Company reviews these policies on a regular basis and updates them accordingly.

The Management Company regularly performs stress tests that enable it to assess the Fund's liquidity risks. The management company performs the stress tests on the basis of reliable and up-to-date quantitative or, if this is not appropriate, qualitative information. This includes investment strategy, redemption deadlines, payment obligations and deadlines within which the assets can be sold, as well as information relating to historical events or hypothetical assumptions. The stress tests simulate, if necessary, a lack of liquidity of the assets in the fund and, to an extent, atypical demands for unit redemptions. They cover market risks and their effects, including margin calls, collateral requirements or

credit lines. They are performed taking into account the investment strategy, liquidity profile, investor type and redemption policy of the fund at a frequency appropriate to the nature of the fund.

### **Calculation of the net asset value per share**

The net assets of the Investment Company are denominated in euro (EUR) ("reference currency").

The value of a share ("net asset value per share") is denominated in the currency indicated in the Supplement to the Prospectus ("Fund Currency") unless another currency in derogation of this is indicated for any additional share classes in the Supplement to the Prospectus ("Share Class Currency"). The net asset value per share is calculated by the Central Administration Agent on each day specified in the Supplement to the sub-fund ("Valuation Day"). To calculate the net asset value per share, the value of the assets held in the sub-fund less the liabilities of the sub-fund ("net sub-fund assets") is determined on each valuation day and divided by the number of shares in the sub-fund in circulation on the valuation day and rounded to two decimal places. Additional details on the calculation of the net asset value per share are set forth in particular in Article 10 of the Articles of Association.

### **Issue of shares**

Shares will be issued on the initial issue date of the sub-fund or within the initial issue period of the sub-fund, at a specific initial net asset value (plus a possible sales charge in favour of the relevant intermediary), as described for the sub-fund in the Supplement to this Prospectus. Following this initial issue date or period, shares are issued at the issue price on each valuation day. The issue price is the net asset value per share in accordance with Article 11 No. 4 of the Articles of Association, plus a possible sales charge in favour of the relevant intermediary. The maximum amount of this sales charge for the sub-fund is listed in the Supplement to the Prospectus. The issue price may be increased by the amount of fees or other charges incurred in the respective countries of distribution.

All shares are only available in uncertificated form and are exclusively maintained as book entries ("registered shares").

Subscription applications for the acquisition of registered shares may be submitted to the Management Company and the Distributor, if any. These offices are obligated to forward the subscription applications to the Registrar and Transfer Agent immediately. Subscription applications are considered to have been received when they are received at the Registrar and Transfer Agent. It accepts the subscription requests on behalf of the Management Company.

Complete subscription applications that are received no later than the time indicated in the Supplement to each sub-fund on a valuation day at the appropriate office will be settled at the issue price of the next following valuation day, provided that the consideration for the subscribed shares is available. The Management Company ensures that the issue of shares is settled on the basis of a net asset value per share previously unknown to the shareholder. If, however, there is the suspicion that a shareholder is engaging in late trading, the Investment Company may refuse to accept the subscription application until such time as the person who submitted the application clarifies all uncertainties in relation to his subscription application. Complete subscription applications that are received after the time indicated in the Supplement to each sub-fund on a valuation day at the appropriate office will be settled at the issue price of the second following valuation day, provided that the consideration for the subscribed shares is available.

If the consideration for the subscribed registered shares is not available or the subscription application is faulty or incomplete at the time the complete subscription application is received by the appropriate office, the subscription application will be considered to have been received by the appropriate office on the date on which the consideration for the subscribed unit is available, or a correct subscription certificate is submitted.

Upon receipt of the issue price by the Registrar and Transfer Agent or Depositary, the shares are transferred by the Registrar and Transfer Agent on behalf of the Investment Company by being credited to the securities account of the subscriber.

The issue price is payable to the Depositary in Luxembourg within the number of bank working days specified in the Supplement of the respective sub-fund, but no later than three Luxembourg bank working days after the corresponding valuation day in the fund currency or, in the case of multiple share classes, in the respective share class currency.

The conditions under which the issue of shares is suspended are described in Article 15 of the Articles of Association.

The Central Administration Agent is entitled to reject subscriptions and to permanently or temporarily prohibit or limit the sale of shares to natural or legal persons in certain countries, to the extent that the Investment Company could otherwise suffer disadvantages in the execution of such subscriptions or if such subscriptions violate applicable laws in

the respective country. In particular, the Central Administration Agent is entitled, at its sole discretion, to reject subscriptions by U.S. persons.

### **Redemption and conversion of shares**

1. In accordance with Article 10(4) of the Articles of Association, the shareholders are entitled to request redemption of their shares at the net asset value per share at any time, less any redemption fee ("redemption price"). Units may only be redeemed on a valuation day. If a redemption fee is charged, both its maximum amount and the entity in favour of which it is charged are indicated for the sub-fund in the Supplement to the Prospectus.

The redemption price and any other payments to shareholders shall be paid through the Depositary and the Paying Agents. The corresponding share is cancelled upon payment of the redemption price.

2. The payment of the redemption price and any other payments to the shareholders is made by the Depositary and the Paying Agents. The Depositary is only obligated to make payment in so far as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Depositary's control, prohibiting the transfer of the redemption price to the country of the shareholder.

The Investment Company may force redemption of shares against payment of the redemption price when such becomes necessary in the interest of or in order to protect all shareholders in the Investment Company.

3. The conversion of some or all shares into shares of another share class will be based on the relevant net asset value per share of that share class.

The Investment Company may reject a conversion application for the sub-fund at any time if this appears to be indicated in the interest of the Investment Company or in the interest of the shareholders.

4. Completed redemption and conversion applications for the redemption or conversion of registered shares may be submitted to the Investment Company, the Distributor, if any, and the Paying Agents. These offices are obligated to forward the redemption and conversion applications to the Registrar and Transfer Agent immediately.

Complete redemption and conversion applications for the redemption or conversion of shares are forwarded to the Registrar and Transfer Agent by the location at which the shareholder maintains his securities account. Subscription applications are considered to have been received when they are received at the Registrar and Transfer Agent.

Redemption and conversion applications for the redemption or conversion of registered shares are deemed complete if the name and address of the shareholder, the number of shares or the amount of the consideration of shares to be redeemed or converted and the name of the sub-fund are indicated, and if it has been signed by the corresponding shareholder.

Complete subscription applications and complete conversion applications that are received no later than the time indicated in the Supplement to each sub-fund on a valuation day at the appropriate office will be settled at the net asset value per share on the valuation day following the bank working day, less any redemption fee. The Investment Company ensures that the redemption of shares is settled on the basis of a net asset value per share previously unknown to the shareholder. Complete subscription applications complete conversion applications that are received after the time indicated in the Supplement to each sub-fund on a valuation day at the appropriate office will be settled at the net asset value per share on the second following valuation day after the bank working day, less any redemption fee.

The redemption price is payable within the number of bank working days specified in the Supplement of the respective sub-fund but no later than three bank/working days after the corresponding valuation day. For registered shares, payment is made into the account indicated by the shareholder.

Fractional amounts resulting from the conversion of shares will be credited to the shareholder.

5. The Investment Company is obligated to temporarily suspend the redemption or conversion of shares on account of the suspension of the calculation of net asset value per share.

6. Subject to obtaining prior approval from the Depositary, the Investment Company may process applications for the redemption of substantial amounts of shares only after it has sold appropriate assets of the sub-fund without delay, while however, safeguarding the interests of the shareholders. In such a case, the redemption will be effected at the currently valid redemption price. This also applies to applications for the conversion of shares. However, the Investment Company will ensure that the sub-fund assets carry sufficient liquid funds so that redemption or conversion of shares upon receipt of shareholder applications can be effected without delay under normal circumstances.
7. If, at any time, the Board of Directors of the Investment Company determines that the beneficial owner of shares is a U.S. person who, alone or together with another person, directly or indirectly holds shares, the Board of Directors of the Investment Company may, at its discretion and without liability, forcibly redeem the shares in accordance with the provisions of the Articles of Association. After redemption, the U.S. person will no longer own these shares. The Board of Directors of the Investment Company may require shareholders to provide any information it deems necessary to determine whether or not the shareholder is a current or future U.S. person. In addition, shareholders are obligated to inform the Investment Company immediately if the beneficial owner of the shares held by the aforementioned shareholders becomes a U.S. person.

### ***Taxation of the Investment Company***

The Investment Company is not subject to any taxation on its income and profits in the Grand Duchy of Luxembourg. The Investment Company's assets are only subject to the so-called "*taxe d'abonnement*" in the Grand Duchy of Luxembourg at the current rate of 0.05% p.a. A reduced "*taxe d'abonnement*" of 0.01% p.a. is applicable to (i) the sub-funds or unit classes whose units are issued exclusively to institutional investors within the meaning of Article 174 of the Law of December 17, 2010, (ii) sub-funds whose exclusive purpose is to invest in money market instruments, in time deposits with credit institutions, or both. The "*taxe d'abonnement*" is payable quarterly on the net assets of the Fund as reported at the end of each quarter. The amount of the "*taxe d'abonnement*" is mentioned for the respective sub-fund or unit classes in the respective appendix to the sales prospectus. An exemption from the "*taxe d'abonnement*" applies, among other things, insofar as the sub-fund assets are invested in other Luxembourg investment funds that are themselves already subject to the "*taxe d'abonnement*".

Income received by the Fund (in particular interest and dividends) may be subject to withholding tax or assessment tax in the countries in which the Investment Company's assets are invested. The Investment Company may also be subject to taxation on realized or unrealized capital gains on its investments in the source country.

Distributions of the Investment Company, as well as liquidation and capital gains, are not subject to withholding tax in the Grand Duchy of Luxembourg. Neither the Depositary nor the Management Company is obliged to obtain tax certificates.

Prospective investors and shareholders are advised to inform themselves about laws and regulations applicable to the taxation of the fund's assets, the subscription, purchase, holding, redemption or transfer of units, and to seek advice from external third party advisors and, in particular, a tax advisor.

### ***Taxation of income from shares in the Investment Company held by the shareholder***

Shareholders who are not or were not tax resident in the Grand Duchy of Luxembourg and who do not maintain a permanent establishment or do not have a permanent representative there are not subject to Luxembourg income taxation with respect to their income or capital gains from their shares in the Investment Company. Individuals who are tax resident in the Grand Duchy of Luxembourg are subject to Luxembourg progressive income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are subject to corporate income tax on the income from the Investment Company units.

Prospective investors and investors are advised to inform themselves about laws and regulations applicable to the taxation of fund assets, the subscription, purchase, holding, redemption or transfer of units and to seek advice from external third parties, in particular a tax advisor.

## **Publication of the net asset value per share and the subscription and redemption price**

The net asset value per share, issue and redemption price, and any other information available to shareholders may be obtained at any time from the registered office of the Investment Company, the Management Company, the Depositary and the Paying Agents. The net asset value per share, issue and redemption prices, and other relevant information can be accessed via the Fund Manager's website [www.limmatcapital.ch](http://www.limmatcapital.ch).

## **Shareholder information**

The Management Company makes available certain information at its registered office. In addition, where required by law, notices will also be published in Luxembourg in the "RESA" and in a daily Luxembourg newspaper with sufficient circulation.

The following documents are available for inspection free-of-charge during normal business hours on banking days in Luxembourg (except on 24 and 31 December of each year) at the headquarters of the Investment Company:

- > Prospectus;
- > Articles of Association of the Investment Company;
- > Articles of Association of the Management Company;
- > Management Company Agreement;
- > Investment Management Agreement;
- > Distribution Agreement;
- > Depositary Agreement;
- > Agreement to assume the functions of the Central Administration Agent, the Registrar and Transfer Agent and the Domiciliation Agent.
- > The current Prospectus, the Key Investor Information Document and the Investment Company's annual and semi-annual reports can also be accessed free of charge via the Fund Manager's website [www.limmatcapital.ch](http://www.limmatcapital.ch). The current Prospectus, the Key Investor Information Document and the annual and semi-annual reports of the Fund may be obtained at no charge in paper form at the registered office of the Investment Company, the Management Company, the Depositary, the Distributor, if any, and the Paying Agents.
- > Shareholders can receive information, free of charge, on the principles and strategies of the Management Company with respect to the exercise of voting rights derived from the assets held for the Fund at the registered office of the Management Company.
- > When implementing decisions regarding the acquisition or sale of assets for the respective sub-fund, the Management Company or the Fund Manager acts in the best interests of the sub-fund. Information on the principles laid down by the Management Company or the Fund Manager on this subject can be accessed free of charge at their respective registered office.
- > Shareholders can contact the company with questions, comments and complaints by letter and email. Information on the complaint procedure can be accessed free of charge on the website of the Management Company at [www.one-gs.com](http://www.one-gs.com).

The Management Company has laid down and applies remuneration policies and practices which comply with the statutory provisions, in particular with the principles set out in Article 111ter of the Law of 17 December 2010. The remuneration policy is consistent with and promotes the risk management policy laid down by the Management Company, and it does not encourage risk-taking that is inconsistent with the risk profiles and the Management Regulations and/or the Articles of Association of the funds that it manages, nor does it prevent the Management Company from fulfilling its obligation to act in the best interests of the Fund.

Information on the handling of sustainability risks and the strategies defined for this purpose can be found on the website of the management company [www.one-gs.com](http://www.one-gs.com) and the website of the Fund Manager.

The remuneration policies and practices include fixed and variable components of salaries and discretionary pension benefits.

The remuneration policies and practices apply to the categories of employees, including management, risk-takers, employees with control functions and employees who, due to their total compensation, are in the same income bracket

as management and risk-takers, whose activities have a significant impact on the risk profiles of the Management Company or on the funds it manages.

The remuneration policy of the Management Company ensures that:

- > the remuneration of the staff, including senior management, complies with the applicable laws and regulations, including, without limitation, the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575), taking into consideration the risk profile, appetite and risk strategy of the Management Company and each of the funds under its management.
- > in both qualitative or quantitative terms, the Remuneration Policy promotes sound and effective risk management, including with respect to sustainability risks.
- > 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.

Details of the current remuneration policy, including a description of how the remuneration and other benefits are calculated, and the identity of the people responsible for the allocation of remuneration and other benefits, including the composition of the remuneration committee, if there is such a committee, may be accessed free of charge on the Management Company's website [www.one-gs.com](http://www.one-gs.com). Upon request, shareholders may obtain a paper version free of charge.

### **Notes for shareholders with respect to the United States of America**

The shares of the sub-funds of the Investment Company were not, are not and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act of 1933) (the "Securities Act"), or under the securities laws of any state or political subdivision of the United States of America or its territories or other territories either in the possession of or under the jurisdiction of the United States located of America, including the Commonwealth of Puerto Rico (the "United States") or registered or, directly or indirectly, transferred, offered or sold to or to the benefit of any U.S. person. The Investment Company is not and will not be approved or registered in accordance with the U.S. Investment Company Act of 1940, as amended (*Investment Company Act of 1940*) (the "Investment Company Act"), or under the laws of any individual state of the United States.

As a result, the shares of the sub-funds described in this Prospectus may not be offered or sold, directly or indirectly, in the United States unless such an offer or sale is made possible by an exemption from the registration requirements of the Securities Act.

In addition to any other requirements contained in the Prospectus, the Articles of Association or the subscription form, shareholders may not be U.S. persons. A U.S. person is defined as follows: (i) a "United States Person", as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a "U.S. person" as defined in Regulation S of the Securities Act, as amended, (iii) a person "in the United States" as defined in Rule 202(a)(30)-1 of the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person who is not a "non-U.S. Person" as defined in U.S. Commodities Futures Trading Commission Rule 4.7.

Individuals who wish to acquire shares must confirm in writing that they meet the requirements of the preceding paragraph.

The Board of Directors of the Investment Company and the Central Administration Agent may, at their sole discretion, refuse to transfer, assign or dispose of shares if the Board of Directors of the Investment Company or the Central Administration Agent reasonably decides that this would result in a U.S. person holding shares either as a direct result or in the future.

Any subscription, transfer or conversion of shares may be refused by the Central Administration Agent. The subscription, transfer or conversion shall not take effect until the necessary information has been provided in accordance with the rules in force to establish the identity of customers and to prevent money laundering.

FATCA was made law in the United States of America as part of the *Hiring Incentives to Restore Employment Act* of March 2010. FATCA obligates financial institutions outside the United States of America ("foreign financial institutions" or "FFIs") to the annual submission of information on financial accounts (*financial accounts*), which are held directly or

indirectly by *Specified U.S. Persons*, to the U.S. tax authorities (*Internal Revenue Service* or *IRS*). A withholding tax of 30% is charged on certain U.S. income of FFIs that do not meet this obligation.

On 28 March 2014, the Grand Duchy of Luxembourg entered into an intergovernmental agreement ("IGA") in accordance with Model 1 with the United States of America and a related memorandum of understanding (*Memorandum of Understanding*).

The Management Company and the Fund comply with FATCA regulations.

The share classes of the Fund may either:

- (i) be subscribed by investors through a FATCA compliant independent intermediary (*Nominee*), or
- (ii) directly and indirectly subscribed by shareholders through a distributor (which acts only as an intermediary and not as a nominee) with the exception of:

- *Specified U.S. Persons*

This investor group includes those U.S. Persons who are classified by the government of the United States as at risk in terms of practices of tax avoidance and tax evasion. However, this does not apply, inter alia, to listed companies, tax-exempt organizations, real estate investment trusts (REITs), trust companies, securities dealers or similar.

- *Passive non-financial foreign entities* (or passive NFFE), substantial ownership of which is held by a U.S. Person

This investor group is generally understood to be those NFFEs (i) that do not qualify as active NFFEs, or (ii) where there is not a retained foreign partnership or a retained foreign trust under the relevant implementation provisions of the United States Treasury (Treasury Regulations).

- *Non-participating Financial Institutions*

The United States of America determines this status based on the non-compliance of a financial institution that has not complied with the given requirements due to violation of conditions of the respective country-specific IGAs within 18 months after the initial notification.

In the event that a shareholder already invested in the Fund receives the status of one of the aforementioned categories of shareholders, the shareholder is obligated to immediately inform the Management Company or the Investment Company and to sell their entire shareholdings in the Fund.

If the Fund should be obligated to pay a withholding tax or undertake reporting or suffer other damages due to the lack of FATCA compliance of a shareholder, the Fund reserves the right, without prejudice to any other rights, to make claims for damages against the relevant shareholder.

For questions regarding FATCA and the FATCA status of the Fund, shareholders and potential shareholders are advised to contact their financial, tax and/or legal advisor.

### ***Information for shareholders concerning the automatic exchange of information***

Pursuant to Council Directive 2014/107/EU of 9 December 2014 concerning the obligation to exchange (tax) information automatically and the Common Reporting Standard ("CRS"), a reporting and due diligence standard developed by the OECD for the international automatic exchange of information on financial accounts, implement the automatic exchange of information in accordance with the intergovernmental agreements and Luxembourg regulations (Law implementing the automatic exchange of information in tax matters on financial accounts of 18 December 2015). The automatic exchange of information will be implemented in Luxembourg for the first time for the 2016 tax year.

For this purpose, information on the shareholders and the registers subject to reporting requirements will be reported on an annual basis by reporting financial institutions to the Luxembourg tax authority ("*Administration des Contributions Directes* in Luxembourg"), which in turn will forward this information to the tax authorities of those countries in which the shareholder(s) is/are tax resident.

In particular, this involves the communication of:

- > Name, address, tax identification number, countries of residence and date and place of birth of each person subject to reporting,
- > Register number,
- > Register balance or value,
- > Credited investment income, including capital gains.

The reportable information for a specific tax year, which must be submitted to the Luxembourg tax authority by June 30 of a subsequent year, is exchanged between the tax authorities concerned by September 30 of that year, for the first time in September 2017, based on 2016 data.

### **Notice to Shareholders Regarding Disclosure Obligations in the Area of Taxation (DAC-6)**

Pursuant to the Sixth Council Directive (EU) 2018/822 of May 25, 2018, amending Directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation on reportable cross-border arrangements - "DAC-6" - so-called intermediaries and, subsidiarily under certain circumstances, taxpayers are in principle obliged to report to their respective national tax authorities certain cross-border arrangements which exhibit at least one of the so-called indicators. The indicators describe tax characteristics of a cross-border arrangement that make the arrangement reportable. EU member states will exchange the reported information among themselves.

DAC 6 was to be implemented into national law by EU member states by December 31, 2019, with the first application from January 1, 2021, with retroactive reporting of all reportable cross-border arrangements implemented since DAC-6 came into force on June 25, 2018.

The Management Company intends to comply with any reporting obligation that may exist in this respect in relation to the Fund or its direct or indirect investments. This reporting obligation may include information on the tax structure and the investors with regard to their identity, in particular name, residence and the tax identification number of the investors. Investors may also be directly subject to this reporting obligation themselves. To the extent that investors wish to obtain advice on this subject, consultation with a legal or tax advisor is recommended.

### **Combating Money Laundering**

In accordance with international regulations and Luxembourg laws and regulations, including but not limited to the Law of November 12, 2004, on the fight against money laundering and terrorist financing, as amended ("Law of 12 November 2004"), the Grand-Ducal Regulation of February 1, 2010, CSSF Regulation 12-02 of December 14, 2012, and the CSSF circulars CSSF 13/556, CSSF 15/609, CSSF 17/650, CSSF 17/661 concerning the fight against money laundering and terrorist financing, as well as any amendments or successors thereto, it is incumbent upon all obligated parties to prevent undertakings for collective investment from being misused for money laundering and terrorist financing purposes. The Fund, the Management Company or its delegate may request from a shareholder any document it deems necessary to establish the shareholder's identity (as well as the identity of any intended beneficial owner(s) of the shares if they are not subscribers). In addition, the Fund, the Management Company or its delegate may request any other information it deems necessary to comply with applicable legal and regulatory requirements, including, without limitation, the CRS and FATCA laws. If a shareholder is late in providing, or does not provide all of the requested documents, the subscription application will be rejected. In the case of redemptions, incomplete documentation may result in a delay in the payment of the redemption price. Neither the Fund, the Management Company nor its delegate is responsible for the late settlement or failure of a transaction if the shareholder has submitted the documents late, not at all or incompletely. Investors may be requested from time to time by the Fund, the Management Company or its delegate to provide additional or updated documents relating to their identity in accordance with applicable laws and regulations relating to their obligations to verify each shareholder's identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. If such documents are not provided without undue delay, the Management Company is obliged and entitled to block the fund units of the investors concerned. In order to implement Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council, the so-called 4th EU Money Laundering Directive, the Law of 13 January 2019 on the establishment of a register of beneficial owners was adopted. This obliges registered entities to report their beneficial owners to the register established for this purpose. In Luxembourg, "registered entities" are defined by law to include, among others, investment companies and investment funds. A beneficial owner within the meaning of the Law of 12 November 2004, is, for example, regularly any natural person who in the aggregate holds more than 25% of the shares or units of an entity or otherwise controls the entity. Depending on the specific situation, this could mean that end investors



in the investment company or investment fund would also have to be reported to the register of beneficial owners with their names and other personal details. The following data of a beneficial owner can be accessed by anyone free of charge on the website of the "Luxembourg Business Registers" as of September 1, 2019: Surname, first name(s), nationality(ies), date and place of birth, country of residence and nature and extent of beneficial interest. Only in exceptional circumstances can public inspection be restricted following a case-by-case examination for which a fee is charged.

## **Data protection**

Personal data will be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, on the free movement of such data and repealing Directive 95/46/EC ("General Data Protection Regulation") and the data protection law applicable in Luxembourg (including, but not limited to, the amended law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework (together the "Data Protection Legislation")).

Thus, personal data provided in connection with an investment in the Fund may be stored on a computer and processed by the Fund as well as by the Depositary, each acting as a data controller.

Personal data will be processed for the purpose of processing subscription and redemption requests, maintaining the register of units and for the purpose of carrying out the duties of the above-mentioned parties and complying with applicable laws or regulations, in Luxembourg as well as in other jurisdictions, including but not limited to applicable corporate law, laws and regulations with regard to anti-money laundering and anti-terrorist financing and tax law, such as FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standard) or similar laws or regulations (such as at OECD level).

Personal data will only be disclosed to third parties if this is necessary due to justified business interests or to exercise or defend legal claims in court, or if laws or regulations make disclosure mandatory. This may include disclosure to third parties such as governmental or regulatory authorities, including tax authorities and auditors in Luxembourg, as well as in other jurisdictions.

Except as described above, as a general rule, no personal data will be transferred to countries outside the European Union or the European Economic Area.

By subscribing and/or holding Shares, investors give their consent – at least implicitly – to the aforementioned processing of their personal data and, in particular, to the disclosure of such data to, and the processing of such data by, the above-mentioned parties, including affiliates in countries outside the European Union, which may not offer the same level of protection as Luxembourg data protection law.

Investors hereby acknowledge and accept that failure to provide the personal data requested as part of their existing relationship with the Fund may prevent their continued participation in the Fund and may result in a notification to the relevant Luxembourg authorities.

Investors hereby acknowledge and accept that all relevant information in connection with their investment in the Fund will be reported to the Luxembourg tax authorities, which will share this information in an automated procedure with the competent authorities of the relevant countries or other approved jurisdictions in accordance with the CRS Law or corresponding European and Luxembourg legislation.

To the extent that the personal data provided in connection with an investment in the Fund include personal data of representatives, authorised signatories or beneficial owners of investors, investors are deemed to have obtained the consent of the data subjects to the aforementioned processing of their personal data and, in particular, to the disclosure of their data to and processing of their data by the aforementioned parties, including parties in countries outside the European Union, which may not offer the same level of protection as Luxembourg data protection law.

Investors may, in accordance with applicable data protection laws, request access, correction or deletion of their personal data by submitting a written request to the Fund. In the event the Investor is not a natural person, it is the Investors' responsibility to inform such agents, representatives, authorised signatories or beneficial owners whose personal data are processed of these rights.

Although the above-mentioned parties have taken reasonable measures to ensure the confidentiality of personal data, due to the fact that such data are transmitted electronically and are available outside Luxembourg, the same level of

confidentiality and protection as provided by the data protection law currently applicable in Luxembourg cannot be guaranteed as long as the personal data are located abroad.

Personal data will only be kept until the purpose of the data processing has been fulfilled, but always taking into account the applicable minimum legal retention periods.

## Supplement LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS)

This Supplement contains information relating specifically to LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS), a sub-fund (the "Sub-fund") of the Investment Company. This Supplement forms part of and should be read in conjunction with the entire Prospectus.

### Investment objectives

The objective of the investment objective of the Sub-fund is to achieve long-term capital appreciation through investing in primarily European and American equities and constructing a portfolio with a reasonable risk diversification (as defined in Article 4 of the Articles of Association in conjunction with the corresponding Supplement to the Prospectus). The performance of the relevant share classes of the Sub-fund will be specified in the respective Key Investor Information Document.

The Sub-fund is an actively managed equity fund and is not managed in reference to a benchmark.

As a general rule, past results offer no guarantee of future performance.

### Investment policy

In compliance with Article 4 of the Articles of Association, the following provisions shall apply to the Sub-fund:

The assets of the Sub-fund will be used to pursue a long-term investment strategy with an investment horizon of three to five years. In order to achieve its investment objective, the Sub-Fund's assets will be mainly invested in liquid European and American equities, either directly or through financial derivative instruments. However, in some instances, the Fund Manager may conclude that it is in the best interest of the investors of the Sub-fund to reduce the Sub-fund's exposure to the equity markets materially and invest up to 100% of the Sub-fund's assets in fixed income instruments. The Sub-fund may invest a substantial portion of its net assets in financial derivative instruments for investment purposes and for the purposes of hedging. The Sub-fund is not benchmarked and thus does not track any benchmark. However, the Sub-fund seeks to achieve a low correlation with traditional benchmarks.

In addition, the Sub-fund's assets may be invested in debt securities (including those that are credit-linked) listed on a stock exchange or dealt on a regulated market issued by financial or credit institutions or corporate issuers or sovereign states and/or supranational organisations.

The Sub-fund may also invest in debt securities such as bonds, notes (including P-notes and exchange traded notes) and ETCs (which are listed on an eligible market, secured, undated, limited recourse debt securities and may be issued by entities specialising in issuing specialist exchange-traded products).

The Fund Manager will pursue a discretionary hedging policy to preserve investors' capital in line with its longer-term investment strategy. Although the investment objective of the Sub-Fund is to provide investors with long-term capital appreciation through a long-biased portfolio, the Sub-fund may take short positions for hedging purposes or to express a return potential of a stock's price. Where the Fund Manager wishes to take positions in equities, it will do so exclusively through the use of equity financial derivative investments where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The combination of long and short positions will never result in uncovered short positions.

Some of the Sub-fund's assets may also be held in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending reinvestment, if this is considered appropriate to the objective of maximizing returns.

The Fund Manager has classified this Sub-fund as an Article 6 fund pursuant to the Regulation (EU) 2019/2088 on sustainability related disclosures on the financial services sector ("SFDR"). For the avoidance of doubt, the Sub-fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

The portfolio is constructed by the Fund Manager exclusively in accordance with the criteria defined in the investment objectives/policy, reviewed regularly and adjusted if necessary.

## **Investment process**

The investment process comprises a framework combining discretionary investment decision-making with proprietary and third-party quantitative and qualitative tools, applications, and models. When identifying possible investment opportunities, the Fund Manager takes both bottom-up research findings and macro analysis into consideration.

The Fund Manager will select investments opportunistically and not defined by predetermined allocation levels to sectors or geographical locations. Depending on the relative attractiveness of an opportunity and changes in market volatility, the Fund Manager may adjust portfolio weightings.

The Fund Manager emphasizes a team-centred approach to research and portfolio management; the investment team conducts its own research supported from time to time by broker research, analyst recommendations, and third-party research.

## **Instruments and Securities in the Sub-Fund**

Always reflecting the market situation and the assessment of the Management Company or the mandated Fund Manager, the Sub-fund may invest in equities, bonds, money market instruments, certificates, other structured products (e.g., reverse convertible bonds, bonds with warrants, convertible bonds), target funds and fixed-term deposits. The certificates are certificates on legally permissible underlying instruments such as equities, bonds, investment fund units, financial indices and currencies. In addition, as part of its investment policy, the Sub-fund can invest up to 10% of the Sub-fund's assets in fund units (UCITS and/or UCI), irrespective of their legal form, provided however that they are subject to supervision equivalent to that of the CSSF.

The use of derivative financial instruments ("derivatives") is permitted in order to achieve the above-mentioned investment objectives as well as for investment and hedging purposes. In addition to swaps, this also includes option rights and forward contracts on transferable securities, money market instruments, and financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds in accordance with Article 41(1) e) of the Law of 17 December 2010 as well as other derivatives with the same characteristics on transferable securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds in accordance with Article 41(1) e) of the Law of 17 December 2010.

The underlying instruments of the derivatives must be listed on an exchange or another organised or regulated market and must be tradable on this exchange on a daily basis. The total assets and liabilities of the Sub-fund exposed to market risk ("gross exposure") are not expected to exceed the amount of 300% of the Sub-fund's net assets. This limit may, however, be exceeded in some unprecedented or unpredictable extreme cases. Additionally, the net amount of assets and liabilities exposed to market risk ("net exposure") shall be limited to 100% of the Sub-fund's net assets.

Securities are affected by the use of total return swaps. If total return swaps are used, the maximum percentage of assets under management and the percentage being used in these transactions shall be determined as follows:

The maximum share of the assets under management that will be used in total return swaps is 100%; the share of assets under management that is expected to be used when total return swaps will be used will be between 20% - 40%. Due to its investment strategy, which aims for a share of total return swaps in the expected range of 20% - 40% of assets under management, the Sub-fund may consequently and for investment and hedging purposes hold increased amounts of liquid assets, in particular in EUR, CHF, USD, SEK, NOK, DKK, AUD, JPY and CAD.

The Sub-fund may also hold, on an ancillary basis, liquid assets up to a maximum of 20% of the Sub-fund's net assets in the form of deposits with a credit institution which are repayable on demand, investment accounts (current accounts) and overnight deposits. When circumstances so require, in case of exceptionally unfavourable market conditions, and taking into account the interests of the shareholders, up to 100% of the fund assets may also temporarily be invested in short term fixed-term deposits, money market instruments or liquid assets, including demand deposits.

All investments under Article 4 No. 3 of the Articles of Association, together with investments in Delta-1 Certificates on commodities, precious metals and indices thereon, unless they are financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC and Article XIII of ESMA Guideline 2014/937, are limited to a total of 10% of the net assets of the Sub-fund.

Consistent with the Fund Manager's ESG strategy, the Fund Manager will take into account ESG criteria, and in particular sustainability risks, in the investment decision-making process for this Sub-fund. From an overall risk and return perspective, the Fund Manager nevertheless determines which criteria are ultimately decisive.

The Fund Manager does not currently take into account any adverse effects of investment decisions on sustainability factors for this Sub-fund. In the market, the relevant data that must be used to determine and weight adverse sustainability impacts is currently not available to a sufficient extent.

The sub-fund does not promote sustainable features or does not have the objective of sustainable investment within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088. In accordance with the provisions of Article 7 of Regulation (EU) 2020/852 (EU Taxonomy), the following is pointed out in this context:

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Risk profile of the Fund**

Risk profile – speculative

The Fund is suitable for speculative investors. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high-income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

### **Risk management process**

The Sub-fund shall apply the absolute Value-at-Risk (VaR) method in order to determine the risk associated with its investments. The total risk of the Sub-fund may not exceed 20% of the Sub-fund's net asset value. Leverage of the Sub-fund's investments, using derivative financial instruments where applicable, is not expected to exceed 300% of the net assets of the Sub-fund. This limit may, however, be exceeded in individual cases. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

## Overview of the Fund

Share Class	A-CHF**	A-EUR*	A-USD**
ISIN code:	LU1749419047	LU1749419120	LU1749419393
Initial net asset value per share: (including sales charge)	CHF 100	EUR 100	USD 100
Initial subscription period:	20/02/2018 - 28/02/2018	20/02/2018 - 28/02/2018	20/02/2018 - 07/03/2018
Initial issue date:	01/03/2018	01/03/2018	08/03/2018
Payment of the initial issue price:	05/03/2018	05/03/2018	12/03/2018
Minimum initial subscription and subsequent subscription amount:	CHF 500,000	EUR 500,000	USD 500,000
Payment of the issue and redemption price:	Within two bank working days		
Payment of the issue and redemption price:	5 p.m. CET		
Fund currency:	EURO		
Calculation of net asset value per share:	On each banking day in Luxembourg, with the exception of 24 and 31 December of each year		
Financial year-end: First financial year:	31 December 31 December 2018		
First annual report (audited): First semi-annual report (unaudited)	31 December 2018 30 June 2018		
Type of shares:	Registered shares		
Denomination:	Shares are issued down to three decimal places.		
<i>Taxe d'abonnement</i>	Share class A-CHF, A-USD and A-EUR: 0.05%		

(\*Shares in share classes A-CHF, A-EUR and A-USD are intended exclusively for seed investors and customers of Limmat Capital Alternative Investment AG).

(\*\* Special information for share class A-CHF and A-USD:

For share class A-CHF and A-USD, the objective is to hedge currency exposure by hedging the EUR/CHF or EUR/USD exchange rate risk for the Sub-fund's share class denominated in A-CHF and A-USD. While the Sub-fund or its authorised representative will endeavour to implement the currency hedging described above, no assurance can be given as to the success of this strategy, and there may be mismatches between the currency position of the Fund and the currency position of the hedged share class A-CHF and A-USD, particularly in the event of severe market turbulence. Hedging strategies can be used both when the value of the base currency (euro) decreases and when it increases relative to the value of the currency of the hedged share class (CHF and USD). This means that the use of these strategies can provide significant protection for the investor of the relevant share class against the risk of the depreciation of the base currency (euro) relative to the value of the currency of the hedged share class (CHF and USD), but may also result in the investor not being able to benefit from an appreciation in the base currency (euro). Costs associated with currency hedging, as well as gains and losses from this currency hedging, are allocated exclusively to these share classes.)

Share Class	<b>B-CHF*</b>	<b>B-EUR</b>	<b>B-USD*</b>
ISIN code:	LU1749419476	LU1749419559	LU1749419633
Initial net asset value per share: (including sales charge)	CHF 100	EUR 100	USD 100
Initial subscription period:	20/02/2018 28/02/2018	20/02/2018 - 28/02/2018	20/02/2018 28/02/2018
Initial issue date:	01/03/2018	01/03/2018	01/03/2018
Payment of the initial issue price:	05/03/2018	05/03/2018	05/03/2018
Payment of the issue and redemption price:	5 p.m. CET		
Minimum initial subscription and subsequent subscription amount:	CHF 100	EUR 100	USD 100
Payment of the issue and redemption price:	Within two bank working days		
Fund currency:	EURO		
Calculation of net asset value per share:	On each banking day in Luxembourg, with the exception of 24 and 31 December of each year		
Financial year-end: First financial year:	31 December 31 December 2018		
First annual report (audited): First semi-annual report (unaudited)	31 December 2018 30 June 2018		
Type of shares:	Registered shares		
Denomination:	Shares are issued down to three decimal places.		
<i>Taxe d'abonnement</i>	Share class B-CHF, B-USD and B-EUR: 0.05%		

(\* Special information for share class B-CHF and B-USD:

For share class B-CHF and B-USD, the objective is to hedge currency exposure by hedging the EUR/CHF or EUR/USD exchange rate risk for the Sub-fund's share class denominated in B-CHF and B-USD. While the Sub-fund or its authorised representative will endeavour to implement the currency hedging described above, no assurance can be given as to the success of this strategy, and there may be mismatches between the currency position of the Fund and the currency position of the hedged share class A-CHF and A-USD, particularly in the event of severe market turbulence. Hedging strategies can be used both when the value of the base currency (euro) decreases and when it increases relative to the value of the currency of the hedged share class (CHF and USD). This means that the use of these strategies can provide significant protection for the investor of the relevant share class against the risk of the depreciation of the base currency (euro) relative to the value of the currency of the hedged share class (CHF and USD), but may also result in the investor not being able to benefit from an appreciation in the base currency (euro). Costs associated with currency hedging, as well as gains and losses from this currency hedging, are allocated exclusively to these share classes.)

Share Class	C-CHF*	C-EUR	C-USD*
ISIN code:	LU1749419716	LU1749419807	LU1749419989
Initial net asset value per share: (including sales charge)	CHF 100	EUR 100	USD 100
Initial subscription period:	inactive		
Initial issue date	inactive		
Payment of the initial issue price:	inactive		
Payment of the issue and redemption price:	5 p.m. CET		
Minimum initial subscription and subsequent subscription amount:	CHF 100	EUR 100	USD 100
Payment of the issue and redemption price:	Within two bank working days		
Fund currency:	EURO		
Calculation of net asset value per share:	On each banking day in Luxembourg, with the exception of 24 and 31 December of each year		
Financial year-end: First financial year:	31 December 31 December 2018		
First annual report (audited): First semi-annual report (unaudited)	31 December 2018 30 June 2018		
Type of shares:	Registered shares		
Denomination:	Shares are issued down to three decimal places.		
<i>Taxe d'abonnement</i>	Share class C-CHF, C-USD and C-EUR: 0.05%		

(\* Special information for share class C-CHF and C-USD:

For share class C-CHF and C-USD, the objective is to hedge currency exposure by hedging the EUR/CHF or EUR/USD exchange rate risk for the Sub-fund's share class denominated in C-CHF and C-USD. While the Sub-fund or its authorised representative will endeavour to implement the currency hedging described above, no assurance can be given as to the success of this strategy, and there may be mismatches between the currency position of the Fund and the currency position of the hedged share class C-CHF and C-USD, particularly in the event of severe market turbulence. Hedging strategies can be used both when the value of the base currency (euro) decreases and when it increases relative to the value of the currency of the hedged share class (CHF and USD). This means that the use of these strategies can provide significant protection for the investor of the relevant share class against the risk of the depreciation of the base currency (euro) relative to the value of the currency of the hedged share class (CHF and USD), but may also result in the investor not being able to benefit from an appreciation in the base currency (euro). Costs associated with currency hedging, as well as gains and losses from this currency hedging, are allocated exclusively to these share classes.)



Share Class	D-CHF*	D-EUR	D-USD*	D-GBP*
ISIN code:	LU1749420052	LU1749420136	LU1749420219	LU1749420300
Initial net asset value per share: (including sales charge)	CHF 100	EUR 100	USD 100	GBP 100
Initial subscription period:	inactive			
Initial issue date:	inactive			
Payment of the initial issue price:	inactive			
Payment of the issue and redemption price:	5 p.m. CET			
Minimum initial subscription and subsequent subscription amount:	CHF 10,000	EUR 10,000	USD 10,000	GBP 10,000
Payment of the issue and redemption price:	Within two bank working days			
Fund currency:	EURO			
Calculation of net asset value per share:	On each banking day in Luxembourg, with the exception of 24 and 31 December of each year			
Financial year-end: First financial year:	31 December 31 December 2018			
First annual report (audited): First semi-annual report (unaudited)	31 December 2018 30 June 2018			
Type of shares:	Registered shares			
Denomination:	Shares are issued down to three decimal places.			
<i>Taxe d'abonnement</i>	Share class D-CHF, D-USD, D-EUR and D-GBP: 0.05%			

(\* Special information for share class D-CHF, D-USD and D-GBP:

For share class D-CHF, D-USD and D-GBP, the objective is to hedge currency exposure by hedging the EUR/CHF or EUR/USD and EUR/GBP exchange rate risk for the Sub-fund's share class denominated in D-CHF, D-USD and D-GBP. While the Sub-fund or its authorised representative will endeavour to implement the currency hedging described above, no assurance can be given as to the success of this strategy, and there may be mismatches between the currency position of the Fund and the currency position of the hedged share class D-CHF, D-USD and D-GBP, particularly in the event of severe market turbulence. Hedging strategies can be used both when the value of the base currency (euro) decreases and when it increases relative to the value of the currency of the hedged share class (CHF, USD and GBP). This means that the use of these strategies can provide significant protection for the investor of the relevant share class against the risk of the depreciation of the base currency (euro) relative to the value of the currency of the hedged share class (CHF, USD and GBP), but may also result in the investor not being able to benefit from an appreciation in the base currency (euro). Costs associated with currency hedging, as well as gains and losses from this currency hedging, are allocated exclusively to these share classes.)

Costs which can be reimbursed from the Sub-fund's assets:

### **1. Management fee**

For the management of the Fund, the Management Company receives a fee of a maximum of 0.06% p.a. of the net assets of the Sub-fund, but not less than EUR 40,000 p.a. This fee will be calculated pro rata monthly and paid at the end of each month. This compensation is not subject to VAT.

### **2. Fund management fee**

For its management of the Fund, the Fund Manager receives a fee of up to 0.25% p.a. of the net assets of the Sub-fund in respect of share classes A-CHF, A-EUR and A-USD, and up to 0.50% p.a. of the net assets of the Sub-fund in respect of share classes B-CHF, B-EUR and B-USD, and up to 2.00% of the net assets of the Sub-fund in respect of share classes C-CHF, C-EUR and C-USD, and up to 1.5% p.a. of the net assets of the Sub-fund in respect of share classes D-EUR, D-USD, D-CHF and D-GBP; the management fee is calculated monthly pro rata at the end of the month and paid monthly in arrears.

### **3. Performance Fee**

In addition, the Fund Manager is entitled to receive a performance fee on net realised and net unrealised gains and losses as at the end of each calendar year (the "Calculation Period") and as a result, performance fees may be paid on unrealised gains, which may subsequently never be realised. The Calculation Period begins on January 1 and ends on December 31 of a calendar year. The Calculation Period may be shortened in the event of a merger or dissolution of the Sub-fund.

The Performance Fee is calculated on a share-by-share basis in relation to a High Water Mark (defined below) principle so that each class of Shares is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Fund Manager is charged only to that class of Shares which have appreciated in value, (ii) all holders of Shares of the same class have the same amount of capital per Share at risk in the Investment Company, and (iii) all Shares of the same class have the same Net Asset Value per Share.

The High Water Mark (HWM) is the higher of: (a) the initial issue price, when shares in the relevant class were first issued, or the subscription price, as applicable, and (b) the highest value of the Net Asset Value attributable to each Class at the end of each Calculation Period.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to a percentage (the "Relevant Percentage") of the appreciation in the Net Asset Value per Share of that class during the relevant Calculation Period above the Base Net Asset Value per Share of that class. The Base Net Asset Value per Share is the greater of the Net Asset Value per Share of the relevant class at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous relevant Calculation Period (if any) during which such Share was in issue. Shares which are acquired via a transfer or an exchange or in the secondary market will be treated as if they were issued on the date of the acquisition at the most recent Subscription Price for these purposes. The Performance Fee in respect of each relevant Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

In respect of share classes A-CHF, A-EUR and A-USD, the Relevant Percentage equals 5.00% of the appreciation in the net asset value per share. In respect of share classes B-CHF, B-EUR and B-USD, the Relevant Percentage equals 10.00% of the appreciation in the net asset value per share. In respect of share classes C-CHF, C-EUR, C-USD, D-CHF, D-EUR, D-USD and D-GBP, the Relevant Percentage equals 20% of the appreciation of the net asset value per share.

The Performance Fee will normally be payable to the Fund Manager in arrears within fourteen (14) calendar days of the end of each relevant Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares is payable within fourteen (14) calendar days after the date of redemption. In the event of a partial redemption, Shares will be treated as redeemed on a FIFO basis.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

### **Adjustments**

If an investor subscribes for Shares at a time when the Net Asset Value per Share of that class is other than the Base Net Asset Value per Share of that class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Fund Manager.

- (a) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Base Net Asset Value per Share of the relevant class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Base Net Asset Value per Share, the Performance Fee will be charged at the end of each relevant Calculation Period by redeeming at par value (which will be retained by the Sub-Fund) such number of the Shareholder's Shares of the relevant class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the Relevant Percentage of any such appreciation (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Fund Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares being the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each class. As regards the investor's remaining Shares of that class, any appreciation in the Net Asset Value per Share of those Shares above the Base Net Asset Value per Share of that class will be charged a Performance Fee in the normal manner described above.
- (b) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Base Net Asset Value per Share of the relevant class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that class equal to the Relevant Percentage of the difference between the then current Net Asset Value per Share of that class (before accrual for the Performance Fee) and the Base Net Asset Value per Share of that class (an "Equalization Credit"). At the date of subscription, the Equalization Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same class in the Sub-Fund (the "Maximum Equalization Credit"). The Equalization Credit is payable to account for the fact that the Net Asset Value per Share of that class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalization Credit ensures that all holders of Shares of the same class have the same amount of capital at risk per Share.

The additional amount invested as the Equalization Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalization Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalization Credit will also be reduced by an amount equal to the Relevant Percentage of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant class will result in the recapture of any reduction in the Equalization Credit but only to the extent of the previously reduced Equalization Credit up to the Maximum Equalization Credit.

At the end of each relevant Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Share of the relevant class, that portion of the Equalization Credit equal to the Relevant Percentage of the excess, multiplied by the number of Shares of that class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that class for the Shareholder. Additional Shares of that class will continue to be so subscribed for at the end of each relevant Calculation Period until the Equalization Credit, as it may have appreciated or depreciated in the Sub-Fund

after the original subscription of that class for Shares was made, has been fully applied. If the Shareholder redeems its Shares of that class before the Equalization Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalization Credit then remaining, multiplied by a fraction, the numerator of which is the number of Shares of that class being redeemed and the denominator of which is the number of Shares of that class held by the Shareholder immediately prior to the redemption in respect of which an Equalization Credit was paid on subscription.

### Sample calculation at the end of the period:

The table below is an example of how the Performance Fee for a Share Class is calculated. For the purposes of this example, the Relevant Percentage is 20% and management or other fees/expenses are excluded.

Performance Fee Scenario	Calculation Period	Valuation Point	Gross Assets under Management	HWM	New Net Appreciation	Performance Fee Accrual	Crystallized Performance Fee Amount	Net Assets under Management
Share Class launch	1	A	EUR 100	EUR 100	EUR 0	EUR 0	EUR 0	EUR 100
Share Class in performance prior to end of Calculation Period	1	B	EUR 110	EUR 100	EUR 10	EUR 2	EUR 0	EUR 108
Share Class not in performance prior to end of Calculation Period	1	C	EUR 90	EUR 100	EUR 0	EUR 0	EUR 0	EUR 90
Share Class in performance at the end of Calculation Period	1	D	EUR 115	EUR 100	EUR 15	EUR 3	EUR 3	EUR 112
Share Class in performance prior to end of Calculation Period 2	2	E	EUR 122	EUR 112	EUR 10	EUR 2	EUR 0	EUR 120
Share Class not in performance prior to end of Calculation Period 2	2	F	EUR 112	EUR 112	EUR 0	EUR 0	EUR 0	EUR 112

### Summary of the performance fee calculation example

- › Share Class launched at Valuation Point A. The Net Asset Value per Share equals EUR 100, which is also the Base Net Asset Value.
- › At Valuation Point B, the gross Net Asset Value per Share increased to EUR 110 (EUR 10 above the Base Net Asset Value per Share of EUR 100), so the Performance Fee accrual is EUR 2 (20% of EUR 10). As Valuation Point B is not the end of the Calculation Period 1, the Administrator makes a provisional performance fee accrual in the books of the Sub-Fund. The Net Asset Value is adjusted by the performance fee accrual, resulting in a Net Asset Value at which Shares can be bought or sold to EUR 108 (=EUR 110 – EUR 2). The Performance Fee will not be crystallised until either the end of the Calculation Period which is Valuation Point D in this example or on a redemption request from an investor.
- › At Valuation Point C, the Net Asset Value per Share falls to EUR 90. This is below the Net Base Asset Value per Share of EUR 100, so the Share Class will accrue no Performance Fee for the period from B to C. In

addition, because the Share Class has declined since point A, the performance fees of EUR 2 accrued in Period B will be reversed and the Net Asset Value per Share will be EUR 90.

- At Valuation Point D, the Net Asset Value per Share increases to EUR 115 (a EUR 25 increase). The Base net Asset Value per Share is still 100 from Valuation Point A. Consequently, the Performance Fee will only be assessed on the EUR 15 increase from EUR 100 to EUR 115. The Performance Fee accrual will be EUR 3 (20% x EUR 15) so the Net Asset Value per Share is EUR 112.
- At Valuation Point D, as it is the end of the Calculation Period, the Performance Fee is crystallised and the new Base Net Asset Value per Share is set to EUR 112.
- At Valuation Point E, the Net Asset Value per Share increases by EUR 10 to EUR 122. A Performance Fee is only charged on the EUR 10 increase, i.e., the difference between the current net Asset Value of EUR 122 and the Base Net Asset Value per Share of EUR 112 from Valuation Point D. Thus, the performance fee amount will equal EUR 2 (20% x EUR 10). The Net Asset Value per Share is thus EUR 120 (=EUR 122 – EUR 2).
- At Valuation Point F, the Net Asset Value per Share decreases to EUR 112. This is equal to the Base Net Asset Value per Share of EUR 112 from Valuation Point D, so the Share Class will accrue no Performance Fee for the period from E to F. The Net Asset Value per Share will now be EUR 112.

#### **4. Currency Hedging Fee**

In addition, the Fund Manager receives a fee of up to 0.05% p.a. of the net assets of the respective share class from the net Sub-fund assets for the performance of currency hedging of all share classes denominated in currencies other than the base currency of the Fund. This compensation is subject to VAT.

#### **5. Depositary Fee**

For the fulfilment of its responsibilities, the Depositary receives remuneration of up to 0.01% p.a. of the net Sub-fund assets, payable from the Sub-fund assets, but not less than EUR 24,000 p.a. In addition, the Depositary receives a basic fee of EUR 4,800 p.a. for custody account maintenance services. This fee will be calculated pro rata monthly and paid at the end of each month. This fee is subject to VAT.

#### **6. Central Administration Agent fee**

For the fulfilment of its responsibilities, the Central Administration Agent receives remuneration of up to 0.05% p.a. of the net Sub-fund assets, payable from the net assets of the Fund, but not less than EUR 30,000 p.a. This fee will be calculated pro rata monthly and paid at the end of each month. This compensation is subject to VAT.

#### **7. Registrar and Transfer Agent Fee**

For the fulfilment of its responsibilities, the Registrar and Transfer Agent receives a fee of EUR 3,000 per active share class p.a. (the first six share classes are included in the base fee) from the net Sub-fund assets as well as any transaction costs. This fee will be calculated pro rata monthly and paid at the end of each month. This compensation is subject to VAT.

#### **8. Domiciliary Agent fee**

For the fulfilment of its responsibilities, the Domiciliary Agent receives a fee of EUR 2,800 p.a. payable from the net Sub-fund assets. This fee will be calculated pro rata monthly and paid at the end of each month. This compensation is subject to VAT. In addition, the Domiciliary Agent will provide certain other services, including corporate secretary services, which will incur costs for coordination and organization of Extraordinary General Meetings, organization of Board of Directors meetings, and preparation of Board of Directors meeting minutes, among others.

#### **9. Distribution fee**

For its distribution services, the Global Distributor will receive a distribution fee out of the Fund Management Fee, with respect to each Share Class equal to the relevant percentage per annum of the Net Asset Value of such Share Class

(before deduction of accrued Fund Management Fee since the last Valuation Date). Such fee is payable every month in arrears.

The Distribution fee will include any payments due from the Global Distributor to any sub-distributors who are appointed by the Global Distributor from time to time.

#### 10. Additional costs

In addition, assets of the Fund may be charged additional costs listed in Article 35 of the Articles of Association.

Costs to be borne by the shareholders:

Share Class	<b>A-CHF</b>	<b>A-EUR</b>	<b>A-USD</b>
Front-load fee:	Up to 2%	Up to 2%	Up to 2%
Redemption fee:	none	none	none
Conversion fee:	none	none	none

Share Class	<b>B-CHF</b>	<b>B-EUR</b>	<b>B-USD</b>
Front-load fee:	Up to 2%	Up to 2%	Up to 2%
Redemption fee:	none	none	none
Conversion fee:	none	none	none

Share Class	<b>C-CHF</b>	<b>C-EUR</b>	<b>C-USD</b>
Front-load fee:	Up to 2%	Up to 2%	Up to 2%
Redemption fee:	none	none	none
Conversion fee:	none	none	none

Share Class	<b>D-CHF</b>	<b>D-EUR</b>	<b>D-USD</b>	<b>D-GBP</b>
Front-load fee:	Up to 2%	Up to 2%	Up to 2%	Up to 2%
Redemption fee:	none	none	None	none
Conversion fee:	none	none	none	none

**Use of income**

The income of the share classes of the Sub-fund is accumulated. As such, for all share classes, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the Sub-fund for the benefit of shareholders in the Sub-fund. For the avoidance of doubt, no distribution of dividends shall be made for the share classes and the income attributable to these share classes will be reflected in the increased value of the shares.

# Annex 1

## Articles of Association

### ***I. Name, registered office and purpose of the Investment Company***

#### **Article 1 Name**

An investment company in the form of a public limited company (*société anonyme*) is established between the parties appearing and all those who become owners of subsequently issued shares as "*Société d'investissement à capital variable*", under the name LIMMAT CAPITAL SICAV ("Investment Company" or "Company" or "Fund").

#### **Article 2 Registered Office**

The Company's registered office is located in the municipality of Hespérange in the Grand Duchy of Luxembourg.

By a simple resolution of the Board of Directors of the Investment Company ("Board of Directors"), (i) the registered office may be transferred to another location within the Grand Duchy of Luxembourg and if necessary, the board of directors shall have the power to amend these articles of association to reflect such change of registered office and (ii) branches and representative offices may be established or opened elsewhere within the Grand Duchy of Luxembourg and abroad.

If a political, military or another emergency of force majeure occurs or is imminent that is beyond the control, responsibility or influence of the Investment Company, and that impacts the normal conduct of business at the registered office of the Company or the smooth flow of business between the registered office of the Company and the foreign country, the Board of Directors may, by a simple resolution, temporarily transfer the registered office of the Company abroad until normal conditions return, whereby the Company shall remain a Luxembourg company.

#### **Article 3 Purpose**

The exclusive purpose of the Investment Company is to invest in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of 17 December 2010 on undertakings for collective investment, as amended ("Law of 17 December 2010") with the objective of generating an appropriate performance for the benefit of shareholders by defining a specific investment policy.

The Investment Company may implement any measure which serves its purpose or is expedient, taking into account the provisions of the Law of 17 December 2010 and the Law of 10 August 1915 on commercial companies (as subsequently amended and supplemented) ("Law of 10 August 1915").

The Investment Company qualifies as an undertaking for collective investment in transferable securities ("UCITS").

#### **Article 4 General investment principles and investment restrictions**

The objective of the investment policy of each sub-fund is to achieve appropriate performance (as defined in Article 10 No. 1 of these Articles of Association in conjunction with the corresponding Supplement to the Prospectus). The investment policy specific to each sub-fund is described and determined in the Supplement to the Prospectus, taking into account the principle of risk diversification and the applicable laws and regulations for each sub-fund.

The following general investment principles and investment restrictions apply to all sub-funds of the Investment Company unless the Supplement to the Prospectus provides for derogations or supplements.

The assets of each sub-fund are invested on the principle of risk diversification as defined in the regulations of Part I of the Law of 17 December 2010 and in accordance with the investment principles set forth below and in accordance with the investment restrictions.

For the account of each sub-fund of the Investment Company, only those assets may be acquired and sold whose price corresponds to the valuation criteria of Article 10 of these Articles of Association.



1. Definitions:

(a) "Regulated Market"

A regulated market is a market for financial instruments as defined in Article 4 No. 21 of Directive 2014/65/EU of the European Parliament and the European Council dated 15 May 2014 on markets for financial instruments amending Directives 2002/92/EG and 2011/61/EEC.

b) "Securities"

Considered to be securities are:

- > equities and other securities equivalent to equities ("equities")
- > bonds and other securitised debt ("debt securities")
- > all other marketable securities which give the right to acquire securities by way of subscription or conversion.

Not included in this are the techniques and instruments listed in Article 42 of the Law of 17 December 2010.

c) "Money-market instruments"

"Money market instruments" are instruments which are normally traded on the money market, are liquid and whose value can be accurately determined at any time.

d) "UCI"

Undertakings for Collective Investment.

e) "UCITS"

Undertakings for Collective Investment in transferable securities subject to Directive 2009/65/EEC.

For each UCITS composed of multiple sub-funds, each sub-fund is considered a separate UCITS for the application of the investment limits.

2. Exclusively, the following are acquired:

- (a) securities and money market instruments which are listed or traded on a regulated market as defined in Directive 2014/65/EU of the European Parliament and the European Council dated 15 May 2014 on markets for financial instruments, as amended;
- (b) securities and money market instruments that are traded on another regulated market in a Member State ("Member State") of the European Union which operates regularly and is recognised and open to the public;
- (c) securities and money-market instruments that are admitted to official listing on a stock exchange in a non-Member State or traded on another regulated market in a non-Member State which operates regularly and is recognised and open to the public;
- (d) securities and money-market instruments provided that the terms of issue include an undertaking that application will be made for admission to official listing on a securities market or on another regulated market which operates regularly and is recognised and open to the public and that such admission is secured at the latest within one year of issue.

The securities and money market instruments listed under No. 2 letters c) and d) are officially listed or traded within North America, South America, Australia (including Oceania), Africa, Asia and/or Europe.

- (e) units of undertakings for collective investment in transferable securities ("UCITS") admitted pursuant to Directive 2009/65/EC and/or other undertakings for collective investment ("UCI") within the meaning of Article 1(2) a) and b) of Directive 2009/65/EC with its registered office in a Member State of the European Union or a non-Member State, provided that:

- > such UCIs have been authorised under laws that provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that co-operation between authorities is sufficiently ensured;
  - > the level of protection for the shareholders in the UCI is equivalent to the level of protection for the shareholders of a UCITS, and in particular the provisions for separate safekeeping of assets, borrowing, lending, and short sales of securities and money-market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - > the business operations of the UCIs are the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period;
  - > the UCITS or other UCI, the units of which are to be acquired, may invest according to its terms and conditions or articles of association a maximum total of 10% of its assets in units of other UCITS or UCIs.
  
- f) sight deposits or callable deposits with a maturity not exceeding 12 months with credit institutes, if such credit institution has its registered office in an EU member state, or – if the credit institution’s registered office is in a third state – if such institute is subject to supervisory provisions that the Luxembourg supervisory authority considers as equivalent to EU standards.
  
- g) derivative financial instruments (“Derivatives”), including equivalent instruments settled in cash, which are traded on one of the Regulated Markets indicated in Paragraphs a), b), and c), and/or derivative financial instruments which are not traded on a stock exchange (“OTC Derivatives”), provided that:
  - > the underlying instruments are instruments within the meaning of Article 41 Paragraph 1 of the Law of 17 December 2010, or financial indices, interest rates, exchange rates or currencies in which the Fund may invest pursuant to the investment objectives specified in the Prospectus (with Supplement) and the Articles of Association of the Investment Company;
  - > the counterparties to the transactions with OTC derivatives are institutes subject to a supervisory authority of such category as authorised by the CSSF;
  - > and the OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and may be sold, liquidated or closed out through an offsetting transaction at any time at reasonable market value on the initiative of the Investment Company;
  
- h) money-market instruments which are not traded on a regulated market and which do not fall within the definition in Article 1 of the Law of 17 December 2010, provided that the issuer or the issuer of such instruments itself is subject to rules regarding deposit guarantee and investor protection, and provided that they are:
  - > issued or guaranteed by a centralised governmental, regional or local corporate body or the central bank of a member state, the European Central Bank, the EU or the European Investment Bank, a third state, or, if it is a federal state, a member state of the federation, or by a public international body comprising at least one member state; or
  - > issued by an undertaking, the securities of which are traded on the regulated markets defined under letters a), b), and c) of this Article; or
  - > issued or guaranteed by an institution that is subject to a supervisory authority pursuant to the criteria defined by Community law, or by an institution that is subject to and complies with supervisory provisions that are considered by the Luxembourg supervisory authorities to be at least as strict as those laid down in Community law; or
  - > issued by other issuers belonging to a category approved by the Luxembourg supervisory authority, provided that the investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent and provided the issuer is either 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 or is an entity which, within a group of companies that includes one or more listed companies, is responsible

for the financing of the group, or is an entity that is responsible for the financing of securitisation vehicles which benefit from a banking liquidity line.

3. However, up to 10% of the net sub-fund assets may be invested in securities and money-market instruments other than those under No. 2 of this Article.

4. Techniques and instruments

(a) Within the framework of the assets of the conditions and restrictions as mandated by the Luxembourg supervisory authorities, each sub-fund may use the techniques and instruments listed in the Prospectus, provided that this is done with a view to the efficient management of the sub-fund assets. When these operations concern the use of derivative instruments, these conditions and limits must conform to the provisions of the Law of 17 December 2010.

Nor may the sub-fund derogate from its investment policy described in the Prospectus (with Supplement) and the Articles of Association of the Investment Company in the use of techniques and instruments.

(b) Pursuant to Article 42(1) of the Law of 17 December 2010, the Management Company is obligated to apply a risk management procedure that enables it to monitor and measure at all times the risks related to the investment positions and their share of the investment portfolio's total risk profile as well as their respective share in the total risk profile of the investment portfolio at any time. The Management Company must ensure that the overall risk of the managed Fund associated with derivatives does not exceed the total net asset value of their portfolios. In particular, it is based on assessing the credit ratings of the Fund's assets not exclusively and automatically on ratings issued by rating agencies as defined by Article 3(1) b) of Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. The method used for the Fund to measure the risk and any specific information is outlined in the Supplement for each Fund.

As part of its investment policy and in the framework of the limits of Article 43 Paragraph 5 of the Law of 17 December 2010, the Fund may acquire investments in derivatives, provided the overall risk of the underlying does not exceed the investment limits of Article 43 of the Law of 17 December 2010. Index-based derivatives that are acquired for the Fund are not included in the investment limits of Article 43 of the Law of 17 December 2010.

Derivatives embedded in a security or money market instrument must also be taken into account in terms of adherence to the provisions of this Article 42 of the Law of 17 December 2010.

Appropriate measures may be taken for the Fund, and, with the agreement of the Depositary, additional investment restrictions may be imposed as required to correspond with the conditions in those countries in which shares are to be distributed.

5. Risk diversification

(a) A maximum of 10% of the sub-fund assets may be invested in securities or money-market instruments of a single issuer. The sub-fund may invest a maximum of 20% of its assets in deposits of a single institution.

The risk exposure of the Investment Company to a counterparty in an OTC derivative transaction may not exceed:

- 10% of sub-fund assets if the other party is a credit institution according to the meaning of Article 41(1) f) of the Law of 17 December 2010;
- 5% of sub-fund assets in all other cases.

(b) The total value of the securities of issuers in which more than 5% of the sub-fund assets are invested may not exceed 40% of the sub-fund assets. Such restriction does not apply to deposits and transactions involving OTC derivatives with credit institutions subject to prudential supervision.

Notwithstanding the individual upper limits stated in letter a) above, an investment may be made up to a maximum of 20% of the sub-fund assets with a single institution in a combination of the following:

- > Securities or money-market instruments issued by such institution, and/or
  - > deposits with such institution, and/or
  - > OTC derivatives acquired by such institution.
- (c) The investment limit of 10% of the net sub-fund assets listed under No. 5 a), the first sentence of this Article, is increased to 35% of the net sub-fund assets if the securities and money-market instruments are issued or guaranteed by a Member State of the EU or its central, regional or local authorities as well as by a non-Member State, or are issued by public international bodies to which one or more Member States of the EU belong.
- (d) The investment limit of 10% under No. 5 a), the first sentence of this Article, increases to a maximum of 25% of the net sub-fund assets if the debt securities to be acquired are issued by a credit institution with a registered office in a Member State of the EU and subject by law to special public supervision in order to protect the holders of such instruments. In particular, the proceeds arising from the issue of such debt instruments must, by law, be invested in assets which, up to the maturity of the debt instruments, provide adequate coverage for the resulting obligations and which, by means of preferential rights, are available as security for the reimbursement of the principal and the payment of accrued interest in the event of default by the issuer.

In addition, if more than 5% of the net sub-fund assets are invested in the debt instruments of a single issuer, the total value of the investments in such debt instruments must not exceed 80% of the net sub-fund assets.

- (e) The restriction under No. 5 b), the first sentence of this Article, limiting total value to 40% of the net sub-fund assets does not apply in the cases of letters c) and d).
- (f) The investment limits under No. 5 a) to d), the first sentence of this Article of 10%, 35% and 25% of net sub-fund assets are not to be considered cumulatively. Instead, a maximum of 35% of the net sub-fund assets may be invested in securities and money-market instruments from a single institution or in deposits or derivatives of a single institution.

Companies which are part of the same group regarding the preparation of consolidated Annual Reports within the meaning of Directive 83/349/EEC of the Council of 13 June 1983 based on Article 54 Paragraph 3 letter g) of the agreement on consolidated accounts (OJ C L 193 of 18 July 1983, page 1) or pursuant to generally acknowledged international accounting standards must be considered as one single establishment for the purposes of calculating the investment limits specified in No. 6 a) to f) of this Article.

Each sub-fund may cumulatively invest 20% of its net sub-fund assets in securities and money market instruments of a single group of companies.

- (g) Notwithstanding the investment limits set forth in Article 48 of the Law of 17 December 2010, the upper limit for investments in equities and/or debt securities of a single issuer for each sub-fund listed in Article 43 of the Law of 17 December 2010 may be increased to 20% of its net sub-fund assets if the objective of the investment policy of the respective sub-fund is to replicate an equity or bond index recognised by the Luxembourg supervisory authority. The following conditions apply:
- > the composition of the index is sufficiently diversified;
  - > the index must form an adequate reference base for the market to which it relates; and
  - > the index is published appropriately.

The investment limit set forth above increases to 35% of the net sub-fund assets where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain securities or money-market instruments are highly dominant. An investment up to this limit is only possible with a single issuer.

The Supplement to the Prospectus for the respective sub-fund states whether the Investment Company will make use of this possibility.

(h) Notwithstanding the provisions of Article 43 of the Law of 17 December 2010, applying the principle of risk diversification, up to 100% of the net sub-fund assets may be invested in securities and money-market instruments issued or guaranteed by an EU Member State or its local authorities, an OECD Member State or by international bodies to which one or more EU Member States belong. The sub-fund assets must hold securities from at least six different issues, whereby securities from a single issue may not exceed 30% of the net assets of the sub-fund.

(i) No more than 10% of the net sub-fund assets are invested for each sub-fund in UCITS or UCIs as defined in number 2, letter e) of this Article unless the fund-specific Supplement to the Prospectus provides for otherwise for that sub-fund. If the investment policy of the sub-fund allows for investment of more than 10% of the respective net sub-fund assets in UCITS or UCIs as defined in number 2 e) of this Article, letters j) and k) below apply.

(j) For each sub-fund, no more than 20% of the net sub-fund assets may be invested in units of a single UCITS or a single UCI in accordance with Article 41(1) e) of the Law of 17 December 2010.

For the purposes of the application of this investment restriction, each sub-fund of a UCI with multiple sub-funds is treated as a separate issuer, provided that the principle of separation of the liabilities of the individual sub-funds toward third parties is guaranteed.

(k) For each sub-fund, no more than 30% of the net assets of the relevant sub-fund may be invested in other UCIs. If the respective sub-fund has acquired units of a UCITS and/or other UCI, the portfolio securities of the UCITS or other UCI in question shall not be taken into account in respect of the upper limits referred to at 5 a) to e) above.

(l) If units are acquired of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company as the Investment Company (if known) or by any other company with which this Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or votes, no subscription or redemption fees on units of these other UCITS and/or UCIs may be charged by the Fund (including sales charges and redemption fees).

In general, a management fee may be charged at the target fund level when units in target funds are acquired, and the respective sales charge and any redemption fees are to be taken into consideration. The Investment Company will not invest in target funds that are subject to a management fee higher than 3% p.a. The annual report of the Investment Company will contain information as to how high the maximum share of the management fee is that the Fund and the sub-funds are to bear.

(m) The Management Company may not use any of the UCITS it manages in accordance with Part I of the Law of 17 December 2010 to acquire a sufficient number of shares with voting rights which would enable it to exercise a significant influence over the management of an issuer.

(n) In addition,

- > up to 10% of the non-voting shares of a single issuer;
- > up to 10% of the bonds in issue of a single issuer;
- > no more than 25% of the units in issue of a single UCITS and/or UCI; and
- > no more than 10% of the money-market instruments of a single issuer

may be acquired for the Investment Company.

(o) The investment limits under No. 5 m) to n) do not apply to:

- > securities and money-market instruments which are issued or guaranteed by a Member State of the EU or one of its authorities or by a non-Member State of the EU.
- > securities and money-market instruments which are issued by a public international body to which one or more Member States of the EU belong.

- > shares held by the respective sub-fund in the capital of a company incorporated in a non-Member State of the European Union investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the respective sub-fund can invest in the securities of issuing bodies of that State. However, this exception applies only under the condition that the investment policy of the company of the non-Member State adheres to the limits set forth in Articles 43, 46 and 48(1) and (2) of the Law of 17 December 2010. Where the limits set in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply *mutatis mutandis*.
- > shares held by one or more investment companies in the capital of subsidiary companies carrying on the business of management, consulting or distribution exclusively for the Investment Company or companies in the country in which the subsidiary is located, in regard to the redemption of shares at the shareholder' request.

6. Cash and cash equivalents

The Fund may hold liquid assets in the form of investment accounts (current accounts) and overnight deposits, but only on an ancillary basis.

7. Subscription rights

A UCITS does not necessarily have to follow the investment limits set out in this Article when exercising subscription rights linked to transferable securities or money market instruments which are part of its assets.

If the investment restrictions referred to in this Article are exceeded unintentionally or due to the exercise of subscription rights, the Management Company must attach top priority to normalising the situation while, at the same time, taking the best interests of the shareholders into account.

Notwithstanding their duty to ensure adherence to the principle of risk diversification, newly authorised UCITS may during a period of six months following authorisation derogate from the investment limits set out in No. 5 a) to l).

8. Loans and prohibitions on charges

- (a) The net assets of each sub-fund may not be pledged, otherwise encumbered, transferred or assigned as collateral, except for borrowings as defined in letter b) below or for the provision of collateral when executing transactions involving financial instruments.
- (b) Loans charged to the respective sub-fund assets may only be taken out on a short-term basis and only up to a limit of 10% of the respective net sub-fund assets. An exception to this is made for the acquisition of foreign currencies through back-to-back loans.
- (c) The respective net sub-fund assets may neither grant loans nor act as guarantors on behalf of third parties. However, this does not preclude the acquisition of not fully paid in securities, money-market instruments or other financial instruments in accordance with Article 41(1) e), g) and h) of the Law of 17 December 2010.

9. Additional investment guidelines

- (a) Short selling of securities is not permitted.
- (b) The sub-fund assets may not be invested in real estate, precious metals or certificates representing them, precious metals futures, commodities or commodities futures.

10. The investment restrictions listed in this Article refer to the date of the acquisition of securities. If the percentages are subsequently exceeded through price developments or for other reasons than additional purchases, the Management Company will immediately seek to return to the prescribed levels while taking into consideration the interests of the shareholders.

## **II. Duration, merger and liquidation of the Investment Company**

### **Article 5 Duration of the Investment Company**

The Investment Company was established for an indefinite duration.

### **Article 6 Merger of the Investment Company with another undertaking for collective investment (“UCI”)**

1. By a resolution of the general meeting of shareholders, the Investment Company may decide to transfer the Investment Company or a sub-fund to another UCITS or a sub-fund of another UCITS managed by the same Management Company or managed by another management company, subject to the following conditions. In the case of mergers in which the transferring investment company is dissolved as a result of the merger, the effectiveness of the merger must be notarised.
2. The merger referred to under point 1 above may be resolved in particular in the following cases:
  - > if the net assets of the Fund or the sub-fund on a valuation day have fallen below a sum which appears to be the minimum balance for the Fund to be managed in an economically sound manner. The Investment Company has set this amount at EUR 5 million; or
  - > if, as a result of a significant change in the economic or political situation or for reasons of economic profitability, it is not deemed useful from an economic point of view to manage the Fund; or
  - > streamlining of operations;
3. Resolutions by the general meeting of shareholders in the context of a merger require at least a simple majority of the shareholders present or represented. In the case of mergers in which the transferring investment company is dissolved as a result of the merger, the effectiveness of the merger must be notarised.
4. The Board of Directors of the Investment Company may decide to absorb into the Investment Company another fund or sub-fund managed by the same or by another management company.
5. Mergers are possible both between two Luxembourg funds or sub-funds (domestic mergers) and between funds or sub-funds which are established in two different Member States of the European Union (cross-border mergers).
6. A merger may only be carried out if the investment policy of the Investment Company or the Fund or the respective sub-fund to be absorbed does not breach the investment policy of the absorbing UCITS.
7. Implementation of the merger will be accomplished by way of liquidation of the Fund or sub-fund to be absorbed and a simultaneous takeover of all assets by the absorbing fund or sub-fund. Shareholders in the Fund to be absorbed receive shares of the absorbing fund or sub-fund, the number of which is calculated on the basis of the unit value ratio of the funds or sub-funds involved at the time of the transfer and, where appropriate, a fractional settlement.
8. Both the absorbing fund or sub-fund and the fund or sub-fund to be absorbed will inform shareholders in an appropriate manner about the proposed merger and in accordance with the regulations of the respective distribution countries of the absorbing and the absorbed fund or sub-fund.
9. The shareholders in the absorbing and the absorbed fund or sub-fund have the right, within 30 days and at no additional charge, to request the redemption of all or part of their shares at the current net asset value or, if possible, the exchange for shares of another fund or sub-fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding. This right becomes effective from the date on which the shareholders of the absorbed and of the absorbing fund or sub-fund have been informed of the planned merger, and it expires five Luxembourg bank working days before the date of calculation of the conversion ratio.

10. In a merger between two or more funds or sub-funds, the fund or sub-fund concerned may suspend the subscription, redemption or conversion of shares provided such suspension is justified on the grounds of shareholder protection.
11. The execution of the merger is audited and confirmed by an independent auditor. Upon request, the shareholders in the absorbing fund or sub-fund as well as the responsible supervisory authorities shall be provided with a copy of the auditor's report free of charge.
12. The above applies equally to the merger of two sub-funds within the Investment Company.

#### **Article 7                      Dissolution of the Investment Company or a sub-fund**

1. The Investment Company or one or more sub-funds may be liquidated by resolution of the general meeting. Such a resolution shall be adopted in compliance with the provisions prescribed for amendments to the Articles of Association.
  - If the sub-fund assets of the Investment Company fall below two-thirds of the minimum capital, the Board of Directors of the Investment Company is obligated to convoke a general meeting of shareholders to address the question of the liquidation of the Investment Company. The liquidation is resolved by a simple majority of the shares present or represented.
  - If assets of the Investment Company fall below one-fourth of the minimum capital, the Board of Directors of the Investment Company must also convoke a general meeting of shareholders to address the question of the liquidation of the Investment Company. In such case, liquidation shall be resolved by a majority of 25% of the shares present or represented at the general meeting of shareholders.

The convocations of the aforementioned general meetings shall be made within 40 days of the determination that the assets of the Investment Company have fallen below two-thirds or one-quarter of the minimum capital.

The resolution of the general meeting on the liquidation of the Investment Company shall be published in accordance with the provisions of the law.

2. Subject to a resolution to the contrary by the Board of Directors, the Investment Company will no longer issue, redeem or exchange any shares in the Investment Company from the date of the resolution on liquidation until the liquidation decision has been implemented.
3. Any net liquidation proceeds, the payment of which is not claimed by shareholders by the time the liquidation process has ended, shall be deposited by the depositary after the liquidation process has ended at the *Caisse des Consignations* in the Grand Duchy of Luxembourg for the account of the beneficiaries. These sums shall then be forfeited if they are not claimed within the statutory period.

### **III.      Share capital and shares**

#### **Article 8                      Share capital**

The share capital of the Investment Company shall at all times equal the sum of the net assets of the sub-fund ("net assets of the Company") as defined in Article 10 No. 4 of these Articles of Association and shall be represented by fully paid-up no-par value shares.

The initial capital of the Investment Company amounted to EUR 31,000, divided into 310 shares with no par value (initial issue price EUR 100 per share).

The minimum capital of the Investment Company is the equivalent of EUR 1,250,000 under Luxembourg law and was reached within a period of six months after the approval of the Investment Company by the Luxembourg supervisory authority. This is based on the net assets of the Company.

The Board of Directors decides on the formation of separate assets (sub-funds) within the meaning of Article 181 paragraph (1) of the Law of 17 December 2010, which may consist of one or more share classes. In the relationship



between the shareholders, these assets are allocated exclusively to the share class(es) issued to the respective sub-fund. To determine the capital of the Company, the net assets attributable to the relevant share classes of a sub-fund are converted into euros, if it is not already in euros, and the capital of the Company as a whole corresponds to the sum of the net assets of the share classes of all sub-funds.

The Board of Directors may set up sub-funds in the form of master or feeder sub-funds as defined in article 77 (1) of the Law of 17 December 2010.

## **Article 9**                      **Shares**

1. Shares are shares in the respective sub-fund. The shares are issued in the denomination specified by the Investment Company. The shares in the sub-fund are issued in the type of securitisation and denomination listed in the Supplement. Registered shares are entered into the share register maintained for the Investment Company by the Registrar and Transfer Agent. In this regard, confirmations relating to such entry in the share register will be sent to the shareholders at the addresses listed in the share register. All notifications and announcements made by the Investment Company to shareholders may be sent to this address. No claim can be made on the issue of physical securities when registered shares are issued. The types of shares for the sub-fund are indicated in the Supplement to the Prospectus.
2. For the purpose of ease of transferability, an application is made for collective custody of the shares.
3. The Board of Directors is authorised to issue an unlimited number of fully paid-up shares at any time without granting existing shareholders the preferential right to subscribe for the new shares to be issued.
4. All shares in the respective sub-fund have the same rights unless the Board of Directors decides to issue various share classes within the sub-fund pursuant to the following paragraph of this Article.
5. The Board of Directors may from time to time decide to launch two or more share classes within the respective sub-fund. The share classes may differ in their characteristics and rights according to the way their income is used, their fee structures or other specific characteristics and rights. All shares entitle the holder or bearer to participate in yields, price and rate gains as well as liquidation returns in their particular share class. If share classes are formed for the respective sub-fund, this is mentioned in the corresponding Supplement to the Prospectus where information on the specific characteristics or rights is given.
6. By resolution of the Board of Directors of the Investment Company, share classes of the relevant sub-fund may be subject to a share split.

## **Article 10**                      **Calculation of the net asset value per share**

1. The net assets of the Investment Company are denominated in euro (EUR) ("reference currency").
2. The value of a share ("net asset value per share") is denominated in the currency indicated in the Supplement to the Prospectus ("Fund Currency") unless another currency in derogation of this is indicated for any additional share classes in the respective Supplement to the Prospectus ("Share Class Currency").
3. The net asset value per share is calculated by the Management Company or one of its agents under the supervision of the depositary on each banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day") and rounded to two decimal places after the decimal. The Board of Directors may decide on a different arrangement for the respective sub-fund, in which case it should be taken into account that the net asset value per share should be calculated at least twice a month.
4. To calculate the net asset value per share, the value of the assets held in each sub-fund less the liabilities of the respective sub-fund ("net sub-fund assets") is determined on each valuation day and divided by the number of shares in circulation on the valuation day. However, the Investment Company may decide to calculate the net asset value per share on 24 and 31 December of a given year without this determination of value being a calculation of the net asset value per share on a valuation day as defined above in sentence 1 of this number 4. As a result, shareholders may not request the issue, redemption and/or conversion of shares on the basis of a unit value calculated on 24 December and/or 31 December of a given year.

5. If applicable legal regulations or the provisions of these Articles of Association require the situation of the net company assets to be described in the annual or half-yearly reports and other financial statistics, the assets of the Fund will be converted into the Reference Currency. The net assets of the sub-fund are calculated according to the following principles:

- (a) Transferable securities, money market instruments, derivative financial instruments (“derivatives”) and other investments officially quoted on a securities exchange are valued at the latest official traded price at the close of business of the appropriate local time on the trading day preceding the valuation day or, lacking any trades on such day, at the mean between the last available closing bid and asked prices on a day preceding the valuation day, on the principal exchange for such securities, as adjusted in such a manner as the Management Company, in their sole discretion, think fit, having regard to the size of the bid-asked spread.

The Management Company may decide for the individual sub-fund that securities, money market instruments, derivative financial instruments (derivatives) and other investments not officially listed on a stock exchange can be valued at the last available closing price which ensures a reliable valuation. This is mentioned in the Supplement to the relevant sub-funds.

If transferable securities, money market instruments, derivative financial instruments (“derivatives”) and other investments are officially listed on several securities exchanges, the stock exchange with the highest liquidity will be the definitive one.

- (b) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not quoted, officially listed, traded or dealt in on a recognized securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which prices as described above are available, will be valued at the probable realization value at the close of business on the day preceding the valuation day (or whose price is not deemed representative, e.g., due to a lack of liquidity) based on a price quoted by any person, firm or institution making a market in that security (and if there shall be more than one such market maker, then such particular market maker or market makers as the Management Company may designate) made by reference to the mean of the latest bid and asked price quoted thereon by such market maker or such market makers on the trading day preceding the valuation day, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold.

The Management Company may decide for the individual sub-fund that securities, money market instruments, derivative financial instruments (derivatives) and other investments not officially listed on a stock exchange (or whose exchange rates are considered non-representative, e.g. due to a lack of liquidity), which are, however, traded on a regulated market, are valued at the last available price there which the Management Company holds in good faith for the best possible price at which the securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. This is mentioned in the Supplement to the relevant sub-funds.

- (c) OTC derivatives are valued using verifiable prices thus determined by the Management Company on a daily basis.
- (d) Units of other UCITS and/or UCI are, in principle, set at the last redemption price established prior to the valuation day or the latest available price which provides a reliable valuation. If the redemption is suspended or no redemption prices are established for certain investment units, these units and all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company in line with generally accepted and verifiable valuation rules.
- (e) If the prices in question are not fair market prices, if the financial instruments listed under b) are not traded on a regulated market, and if no prices are set for financial instruments different from those listed under (a)-(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management

Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).

- (f) Liquid funds are valued at their nominal value plus interest.
- (g) Amounts due (e.g. deferred interest claims and liabilities) shall, in principle, be rated at their par value.
- (h) The market value of securities, money-market instruments, derivatives and other assets denominated in a currency other than that of the Fund shall be converted into the Fund currency at the exchange rate of the trading day preceding the valuation day, using WM/Reuters fixing at 17:00 (16:00 GMT). Gains and losses on foreign exchange transactions are shown net.

The Management Company may decide for the individual sub-fund that securities, money market instruments, derivative financial instruments (derivatives) and other investments denominated in a currency other than the sub-fund currency are converted into the relevant sub-fund currency at the exchange rate determined on the valuation day. Gains and losses on foreign exchange transactions are shown net. This is mentioned in the Supplement to the relevant sub-funds.

The net assets of the sub-fund are reduced by any distributions which may be paid to the shareholders of the relevant sub-fund.

The net asset value per share is calculated pursuant to the aforementioned criteria. However, if share classes have been established within the relevant sub-fund, the resulting calculation of the net asset value per share within the relevant sub-fund will be made separately for each share class using the criteria listed above.

#### **Article 11                      Suspension of the calculation of net asset value per share**

1. The Company is authorised to suspend the calculation of net asset value per share if and as long as there are circumstances that make the suspension necessary and if the suspension is justified taking into account the interests of the shareholders, in particular:
  - (a) during such time as an exchange or other regulated market on which a substantial portion of the assets are listed or traded is closed for reasons other than legal or bank holidays, or trading on that exchange or the corresponding market is suspended or restricted;
  - (b) in emergency situations in which the Investment Company cannot access the investments of the Fund, or in which it is impossible to transfer the corresponding value of investment purchases or sales freely, or in which the calculation of net asset value per share cannot be properly conducted.
  - (c) if disruptions in the communications network, or any other reason, make it impossible to calculate the value of an asset either quickly or with sufficient precision.
2. As long as the calculation of the net asset value per share is temporarily suspended, the issue, redemption and conversion of shares will be suspended temporarily.
3. Shareholders who have submitted a subscription, redemption or conversion application will be notified immediately if the calculation of the net asset value per share is suspended and will be informed immediately after the calculation of the net asset value per share is resumed. While the calculation of the net asset value per share has been suspended, subscription, redemption or conversion applications will not be executed.
4. Subscription, redemption and conversion requests automatically lapse in the event of suspension of calculation of net asset value per share. The shareholder or potential shareholder is informed that after the resumption of the calculation of the net asset value, the subscription, redemption or conversion applications must be resubmitted.
5. The suspension and resumption of the calculation of the net asset value will be published and/or communicated to shareholders as required by applicable laws and regulations.

6. The suspension of the calculation of the net asset value in any sub-fund or class of shares shall have no effect on the calculation of the net asset value in any other sub-fund or class of shares.

## **Article 12**                      **Issue of shares**

1. Shares will be issued on the initial issue date or within the initial issue period of the respective sub-fund, at a specific initial net asset value (plus sales charge in favour of the relevant intermediary), as described for the sub-fund in question in the Supplement to this Prospectus. Following this initial issue date or period, shares are issued at the issue price on each valuation day. The issue price is the net asset value per share in accordance with Article 11 No. 4 of the Articles of Association, plus any sales charge in favour of the relevant intermediary. The maximum amount of this sales charge for the Fund is listed in the Supplement to the Prospectus. The issue price may be increased by the amount of fees or other charges incurred in the respective countries of distribution.
2. Subscription applications for the acquisition of registered shares may be submitted to the Management Company and the Distributor, if any. These offices are obligated to forward the subscription applications to the Registrar and Transfer Agent immediately. Subscription applications are considered to have been received when they are received at the Registrar and Transfer Agent. It accepts the subscription requests on behalf of the Management Company.

Complete subscription applications that are received no later than the time specified in the Prospectus on a valuation day at the location in question will be settled at the issue price of the next following valuation day, provided that the consideration for the subscribed shares is available. The Management Company ensures that the issue of shares is settled on the basis of a net asset value per share previously unknown to the applicant. If, however, there is the suspicion that an applicant is engaging in late trading, the Management Company may refuse to accept the subscription application until such time as the person who submitted the application clarifies all uncertainties in relation to his subscription application. Complete subscription applications that are received after the time specified in the Prospectus on a valuation day at the appropriate office will be settled at the issue price of the second following valuation day, provided that the consideration for the subscribed registered shares is available.

If the consideration for the subscribed shares is not available or the subscription application is faulty or incomplete at the time the complete subscription application is received by the appropriate office, the subscription application will be considered to have been received by the appropriate office on the date on which the consideration for the subscribed unit is available or a correct subscription application is submitted.

The registered shares will be allocated by the registrar and transfer agent on behalf of the Management Company immediately upon receipt of the full issue price by the depositary and transferred by entry in the share register.

The issue price is payable at the depositary in Luxembourg within the number of valuation days specified in the Prospectus after the corresponding valuation day currency of the Fund.

If the consideration flows from the respective sub-fund assets, in particular because of a revocation, the non-collection of a direct debit or for other reasons, then the Management Company redeems the respective shares in the interest of the Fund. The person who submits the application must bear the costs of any differences resulting from the redemption of shares that have a negative effect on sub-fund assets.

## **Article 13**                      **Restrictions on and suspension of the issue of shares**

1. The Company may, at its own discretion and without providing any reason, refuse a subscription application or temporarily restrict, suspend or terminate the issue of shares or unilaterally redeem shares against payment of the redemption price when this seems to be in the interest of the shareholders, in the public interest, or to protect the Investment Company or the shareholders, in particular when:

- (a) there is a suspicion that with the acquisition of shares the relevant shareholder is engaging in market timing, late trading or other market techniques that can harm all shareholders;
- (a) the shareholder does not meet the condition for the acquisition of shares; or
- (c) the shares are acquired by a person, the shares are distributed in a country or were acquired in such a country by a person in which the Fund is not authorised for distribution or the acquisition of shares by such shareholder is not allowed.

The Company may at any time, at its sole discretion, refuse to transfer, assign or dispose of shares if the Company reasonably decides that this would result in a U.S. person holding shares either as a direct result or in the future.

A U.S. person is defined as follows: (i) a "United States Person", as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a "U.S. person" as defined in Regulation S of the Securities Act, as amended, (iii) a person "in the United States" as defined in Rule 202(a)(30)-1 of the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person who is not a "non-U.S. Person" as defined in U.S. Commodities Futures Trading Commission Rule 4.7.

The shares of the Investment Company were not, are not and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act of 1933) (the "Securities Act"), or under the securities laws of any state or political subdivision of the United States of America or its territories or other territories either in the possession of or under the jurisdiction of the United States located of America, including the Commonwealth of Puerto Rico (the "United States") or registered or, directly or indirectly, transferred, offered or sold to or to the benefit of any U.S. person.

The Investment Company is not and will not be approved or registered in accordance with the U.S. Investment Company Act of 1940, as amended (*Investment Company Act of 1940*) (the "Investment Company Act"), or under the laws of any individual state of the United States.

- 2. In such cases, the registrar and transfer agent or the depository shall immediately refund without interest any payments received for subscription applications that have not yet been executed.
- 3. The issue of shares is suspended in particular if the calculation of the net asset value per share is suspended.

#### **Article 14                      Redemption and conversion of shares**

- 1. In accordance with Article 10(4) of the Articles of Association, the shareholders are entitled to request redemption of their shares at the net asset value per share at any time, less any redemption fee ("redemption price"). Units may only be redeemed on a valuation day. If a redemption fee is charged, the maximum amount of this charge for the Sub-fund listed in the Supplement to the Prospectus.

The redemption price can be decreased in certain countries by the amount of taxes due and other charges. The corresponding share is cancelled upon payment of the redemption price.

- 2. The payment of the redemption price and any other payments to the shareholders is made by the depository and the paying agents. The depository is only obligated to make payment in so far as there are no legal provisions, such as exchange control regulations or other circumstances beyond the depository's control prohibiting the transfer of the redemption price to the country of the applicant.

The Company may force redemption of shares against payment of the redemption price when this seems to be necessary in the interest of or to protect the shareholders in the Investment Company, in particular if:

- (a) there is a suspicion that with the acquisition of shares the relevant shareholder is engaging in market timing, late trading or other market techniques that can harm all shareholders;
- (a) the shareholder does not meet the condition for the acquisition of shares; or
- (c) the shares were acquired by a U.S. person, the shareholder was found after the acquisition to have indications of a U.S. connection, the shares are distributed in a country or were acquired in such a

country by a person (e.g. a U.S. person) in which the Fund is not authorised for distribution or the acquisition of shares by such shareholder (e.g. a U.S. person) is not allowed.

3. The conversion of some or all shares into shares of another share class will be based on the relevant net asset value per share of that share class.

The Company may reject a conversion application for the respective sub-fund at any time if this appears to be indicated in the interest of the Investment Company or in the interest of the shareholders, in particular if:

- a) there is a suspicion that with the acquisition of shares the relevant shareholder is engaging in market timing, late trading or other market techniques that could harm all investors;
- b) the shareholder does not meet the conditions for the acquisition of shares; or
- c) the shares were acquired by a person with indications of a U.S. connection, the shareholder was found after the acquisition to have indications of a U.S. connection, the shares are distributed in a country or were acquired in such a country by a person (e.g. a U.S. citizen) in which the sub-fund is not authorised for distribution or the acquisition of shares by such shareholder (e.g. a U.S. citizen) is not allowed.

4. Completed redemption and conversion applications for the redemption or conversion of registered shares may be submitted to the Management Company, the Distributor, if any, and the Paying Agents. These offices are obligated to forward the redemption and conversion applications to the Registrar and Transfer Agent immediately.

Redemption and conversion applications for the redemption or conversion of registered shares are deemed complete if the name and address of the shareholder, the number of shares or the amount of the consideration of shares to be redeemed or converted and the name of the sub-fund concerned are indicated, and if it has been signed by the corresponding shareholder.

Complete subscription applications and complete conversion applications that are received by the time specified in the Prospectus on a valuation day at the appropriate office will be settled at the net asset value per share on the next following valuation day after the bank working day, less any redemption fee. The Investment Company ensures that the redemption or conversion of shares is settled on the basis of a net asset value per share previously unknown to the shareholder. Complete subscription applications and complete conversion applications that are received after the time specified in the Prospectus on a valuation day at the appropriate office will be settled at the net asset value per share on the second following valuation day after the bank working day, less any redemption fee.

The redemption price is payable within the number of bank working days specified in the Supplement of the respective sub-fund after the corresponding valuation day. For registered shares, payment is made into the account indicated by the shareholder.

Fractional amounts resulting from the conversion of shares will be credited to the shareholder.

5. The Company is obligated to temporarily suspend the redemption or conversion of shares on account of the suspension of the calculation of net asset value per share.
6. Subject to obtaining prior approval from the depositary, the Company may process applications for the redemption of substantial amounts of shares only after it has sold appropriate assets of the respective sub-fund without delay, while however, safeguarding the interests of the shareholders. In such a case, the redemption will be effected at the currently valid redemption price. This also applies to applications for conversion of shares. However, the Company will ensure that the sub-fund assets contain sufficient liquid funds so that redemption or conversion of shares upon receipt of shareholder applications can be effected without delay under normal circumstances.

## **IV. General meeting of shareholders**

### **Article 15 Rights of the general meeting of shareholders**

The regular general meeting of shareholders represents all of the shareholders of the Investment Company. It has the broadest powers to direct or confirm all acts of the Investment Company. Its resolutions are binding on all shareholders, provided that such decisions are in accordance with Luxembourg law and these Articles of Association, in particular provided they do not interfere with the rights of the separate meetings of shareholders of a certain share class.

### **Article 16 Convocation**

1. In accordance with Luxembourg law, at least one general meeting of shareholders shall be held in Luxembourg, at the registered office of the Company or at any other place in Luxembourg as specified in the notice of meeting, every year, at a date and time decided by the board of directors being no later than six (6) months after the end of the Company's previous financial year.
2. Shareholders are also convened on the basis of a convocation of the Board of Directors in accordance with statutory provisions. It may also be convoked upon the request of shareholders representing at least one-tenth of the corporate capital of the Investment Company, in which case the meeting shall be held within a period of one month from the written request with an indication of the agenda sent to the Board of Directors. The agenda is prepared by the Board of Directors, except when the general meeting of shareholders is convoked on the written request of the shareholders, in which case the Board of Directors may prepare a supplementary agenda.
3. The quorum and delays required by law shall govern the notice for and conduct of the meetings of shareholders of the Company, unless otherwise provided herein.
4. The agenda is prepared by the Board of Directors. Upon the request of shareholders representing at least 10 per cent of the subscribed capital of the Investment Company, the Board of Directors will supplement the agenda. Such a request by shareholders must be sent to the registered office by registered mail and received by the Board of Directors of the Investment Company at least 5 days before the meeting. The Board of Directors will announce the new agenda to the shareholders without delay. In cases where the general meeting of shareholders convenes at the written request of shareholders representing at least one-tenth of the corporate capital of the Investment Company, the agenda shall be drawn up by the shareholders. It must be attached to the written request of the shareholders for the convocation of an extraordinary general meeting. In such cases, the Board of Directors may prepare an additional agenda.
5. Extraordinary general meetings may be held at the time and place indicated in the invitation to the respective extraordinary general meeting.
6. The rules listed above under 2. to 5. apply accordingly to separate general meetings of one or more share classes.

### **Article 17 Quorum and voting**

Every shareholder is entitled to attend the general meetings. Any shareholder may be represented by appointing a person other than his/her proxy in writing.

Only those shareholders who hold shares in the respective share classes may attend general meetings held for individual share classes, which may only approve resolutions relating to the respective share classes. The Board of Directors may permit shareholders to attend general meetings by videoconference or other means of communication, provided that these methods allow shareholders to be identified and allow shareholders to attend the general meeting on an ongoing and effective basis.

The proxies, the form of which may be determined by the Board of Directors, must be lodged with the registered office of the Company at least five days before the general meeting.

All shareholders and proxies present must register on the attendance list drawn up by the Board of Directors before entering the general meetings.

The Board of Directors may establish additional requirements for shareholders to attend general meetings.

The general meeting shall decide on all matters provided for in the Law of 10 August 1915 and in the Law of 17 December 2010, in the forms provided for by the aforementioned laws, by quorum and majorities. Unless the aforementioned laws or these Articles of Association provide otherwise, the decisions of the duly convened general meeting shall be taken by a simple majority of the shareholders present and voting.

Each share entitles the holder to one vote. Fractions of shares do not have voting rights. However, fractional shares entitle the shareholder to receive pro rata distributions and liquidation proceeds.

Shareholders shall vote jointly on issues affecting the Investment Company as a whole. However, questions concerning only one or more share classes shall be voted on separately.

The resolutions of the general meeting are binding on all shareholders, provided that such decisions are in accordance with Luxembourg law and these Articles of Association, in particular provided they do not interfere with the rights of the separate meetings of shareholders of a certain share class. If there is a separate vote for one or more share classes, the resolutions are binding on all shareholders of the share classes.

#### **Article 18**                      **Chairman, scrutineer, secretary**

1. The general meeting is chaired by the Chairman of the Board of Directors or, in his absence, by a chairman elected by the general meeting.
2. The Chairman shall appoint a secretary, who need not be a shareholder, and a scrutineer shall be appointed from among the participants entitled to attend the general meeting.
3. The minutes of the general meeting will be signed by the Chairman, the scrutineer and the secretary of each general meeting, as well as by the shareholders who so request.
4. Copies and extracts to be prepared by the Investment Company shall be signed by the Chairman of the Board of Directors or by two Directors.

### **V. Board of Directors**

#### **Article 19**                      **Composition**

1. The Board of Directors shall consist of at least three members, who shall be appointed by the general meeting and who need not be shareholders of the Investment Company.

The initial appointment of the Board of Directors is made by the general meeting of shareholders following the formation of the Company.

At the general meeting, a new member who has not previously been a member of the Board of Directors may only be elected as a member of the Board of Directors if:

- (a) that person is proposed for election by the Board of Directors; or
- (b) a shareholder who is fully entitled to vote at the forthcoming general meeting which appoints the Board of Directors, submits his/her intention in writing to the Chairman or, if this should be impossible, to another member of the Board of Directors no fewer than six days and no more than thirty days before the date scheduled for the general meeting, to propose a person other than himself for election or re-election, together with a written confirmation by that person to stand for election, provided, however, that the Chairman of the general meeting may, with the unanimous consent of all shareholders present, decide to waive the above declarations and may propose the person nominated in this way for election.



2. The general meeting determines the number of members of the Board of Directors and the duration of their mandates. A mandate period may not exceed six years. A member of the Board of Directors may be re-elected.
3. If a member of the Board of Directors resigns before the end of his term of office, then the remaining members of the Board of Directors appointed by the general meeting of shareholders may appoint a provisional successor to serve until the next general meeting of shareholders (co-option). The successor appointed in this way shall complete the term of office of his predecessor and is entitled, together with the other members of the Board of Directors, to appoint provisional successors for other departing members of the Board of Directors within the framework of the co-option.

The members of the Board of Directors may be removed from office at any time by the general meeting.

#### **Article 20                      Authorisation**

The Board of Directors is authorised to conduct all business and take all steps which are necessary or beneficial to fulfil the purpose of the Company. It is responsible for all matters relating to the Investment Company, provided they are not reserved to the general meeting under the Law of 10 August 1915 or in accordance with these Articles of Association.

The Board of Directors may delegate the day-to-day management of the Investment Company to natural or legal persons who need not be members of the Board of Directors and pay them fees and commissions for their activities. The delegation of tasks to third parties shall always be under the supervision of the Board of Directors.

The Board of Directors also has the power to distribute interim dividends.

#### **Article 21                      Internal organisation of the Board of Directors**

The Board of Directors shall appoint a Chairman from among its members.

The Chairman of the Board of Directors presides over the meetings of the Board of Directors; in his/her absence the Board of Directors shall designate another member of the Board of Directors to chair the meeting.

The Chairman may appoint a secretary, who need not be a member of the Board of Directors, to draw up the minutes of the meetings of the Board of Directors and the general meeting.

The Board of Directors is authorised to appoint a management company, a fund manager, investment advisors and investment committees for the Fund and to define their powers.

#### **Article 22                      Frequency and convocation**

The Board of Directors will meet upon convocation by the Chairman or any two Directors, at the place indicated in the notice of meeting, as often as required by the interests of the Investment Company, but at least once a year.

The members of the Board of Directors shall be convened at least 48 (forty-eight) hours before the meeting of the Board of Directors in writing, by letter, fax, or e-mail, unless an urgent situation makes it impossible to observe the aforementioned deadline. In such cases, the type and reasons for the urgent situation must be stated in the notice of convocation.

Notice of convocation is not required if any member of the Board of Directors has not objected to the form of the invitation either by being present at the meeting or has given his/her consent in writing, by letter, fax or e-mail.

A separate convocation is not required if a meeting of the Board of Directors is held on a date and at a location determined by a resolution adopted in advance by the Board of Directors.

#### **Article 23                      Meetings of the Board of Directors**

Any Director may attend any meeting of the Board of Directors, including by appointing a Director other than his/her proxy in writing, by letter or fax.

Any Director may also attend a meeting of the Board of Directors by telephone conference call or similar means of communication which allows all participants to hear one other at the meeting of the Board of Directors; participation in this manner shall be considered to be the same as personal attendance at this meeting of the Board of Directors.

The Board of Directors shall only constitute a quorum if more than half of its members are present or represented at the meeting of the Board of Directors. Resolutions are adopted by a simple majority of the votes of the members of the Board of Directors present or represented. In the event of a tied vote, the Chairman of the meeting shall have the casting vote.

The Directors may take decisions only at meetings of the Board of Directors of the Investment Company which have been duly convened, with the exception of resolutions adopted using the circular procedure, as described below.

The members of the Board of Directors may also unanimously pass resolutions using the circular procedure. In this case, resolutions that are signed by all members of the Board of Directors are equally valid and enforceable as those passed during a meeting of the Board of Directors that has been convened in the normal manner. The signatures may be recorded collectively on one single document or on several copies of the same document and be obtained by letter or fax.

The Board of Directors may delegate its powers and duties of day-to-day management to legal or natural persons who do not have to be members of the Board of Directors and pay them fees and commissions for their activities as described in detail in Article 35.

#### **Article 24**                      **Minutes**

The resolutions of the Board of Directors shall be recorded in minutes, which shall be entered in a relevant register and signed by the Chairman of the meeting and the secretary.

Copies and extracts of these minutes shall be signed by the Chairman of the Board of Directors or by two Directors.

#### **Article 25**                      **Signatory authority**

The Investment Company is legally bound by the signature of two Directors. The Board of Directors may authorise one or more Directors to sign individually to represent the Investment Company. In addition, the Board of Directors may authorise other legal or natural persons to legally represent the Investment Company, either by individual signature or jointly with a Director or another legal or natural person authorised by the Board of Directors.

#### **Article 26**                      **Provisions on incompatibility**

No contract, settlement or other legal transaction concluded by the Investment Company with other companies shall be affected or invalidated by the fact that one or more members of the Board of Directors, managers, Executive Directors or representatives of the Investment Company have any interests in or investments in any other company, or by the fact that they are a member of the Board of Directors, a shareholder, a manager, authorised representative or employee of the other company.

Such member of the Board of Directors, manager, Executive Director or representative of the Investment Company, who is also a member of the Board of Directors, manager, Executive Director, agent or employee of another company with which the Investment Company has entered into agreements or with which it is in some other way in business relations, will not lose the right to consult, vote and act as to the matters related to such agreements or transactions.

However, if a member of the Board of Directors, manager or representative has a personal interest in any matter of the Investment Company, that member of the Board of Directors, manager or representative of the Investment Company must inform the Board of that personal interest, and he/she will neither participate in the deliberation nor vote on that matter. A report on this matter and in the personal interest of the Director, manager or representative must be submitted to the next general meeting.

The term "personal interest" as used in the preceding paragraph shall not apply to any relationship or interest arising solely because the transaction is concluded between the Investment Company on the one hand and the Fund Manager, the Central Administration Agent, the Registrar and Transfer Agent (or an entity that is a direct or indirect affiliate) or any other company designated by the Investment Company on the other hand.

The foregoing provisions shall not apply in cases where the depositary is a party to such a contract, settlement or other legal transaction. Executive Directors, authorised signatories, and those authorised to act on behalf of the overall operations of the depositary may not at the same time be appointed as employees of the Investment Company responsible for day-to-day management. Executive Directors, authorised signatories, and those authorised to act on behalf of the overall operations of the Investment Company may not at the same time be appointed as employees of the depositary responsible for day-to-day management.

#### **Article 27**                      **Indemnification**

The Investment Company undertakes to indemnify each of the Directors, managers, Executive Directors or authorised representatives, their heirs, executors and administrators against all actions, claims and liabilities of any kind, provided that the persons concerned have duly fulfilled their obligations, and to compensate them for all costs, expenses and liabilities arising from such actions, proceedings, claims and liabilities.

The right to indemnification shall not exclude other rights in favour of the Directors, managers, Executive Directors or authorised representatives.

#### **Article 28**                      **Management Company**

The Board of Directors of the Investment Company may, under its own responsibility, entrust a management company with the investment management, administration and distribution of the shares of the Investment Company.

The Management Company is responsible for the management and administration of the Investment Company. It may, on behalf of the Investment Company, exercise all management and administrative measures and all rights directly or indirectly connected with the assets of the Investment Company, in particular by delegating all or part of its functions to qualified third parties; it may also seek advice under its own responsibility and at its own expense from third parties, in particular from various investment advisors and/or an investment committee.

The Management Company fulfils its obligations with the care and diligence of a paid authorised representative (*mandataire salarié*).

If the Management Company outsources investment management to a third party, only a company may be named which is authorised or registered for the exercise of asset management and is subject to supervision.

The investment decision, the order placement and the selection of the brokers are exclusively reserved to the Management Company, provided no fund manager has been entrusted with investment management.

The Management Company is entitled to authorise a third party to carry out order placement within its own responsibility and control.

The transfer of duties should not impair the effectiveness of the supervision by the Management Company in any way. In particular, the Management Company may not be hindered by the delegation of duties from acting in the best interests of the shareholders and from ensuring that the Investment Company is managed in the best interests of the shareholders.

#### **Article 29**                      **Fund Manager**

If the Investment Company has made use of Article 28(1) and the Management Company has subsequently outsourced investment management for one or all sub-funds to a third party, the task of such a fund manager shall consist in particular of the day-to-day implementation of the investment policy of the sub-fund in question, in managing the day-to-day business of asset management and other related services, each under the supervision, responsibility and control of the Management Company. These tasks are fulfilled while observing the investment principles of the investment policy and the investment restrictions of each sub-fund as described in these Articles of Association and the Prospectus (including Supplement) of the Investment Company or the relevant sub-fund, as well as the legal restrictions on investments.

The Fund Manager must be authorised to manage assets and be subject to supervision in its country of domicile.

The Fund Manager is authorised to select agents and brokers to execute transactions in the assets of the Investment Company. Investment decision-making and order placement are the responsibility of the Fund Manager.

The Fund Manager has the right to be advised by third parties, particularly investment advisors, at its own expense and on its own responsibility.

With the approval of the Management Company, the Fund Manager may outsource some or all of its duties to third parties; the Fund Manager is entirely responsible for the remuneration of the third parties.

The Fund Manager bears all expenses incurred in connection with the services it provides to the relevant sub-funds of the Investment Company. Brokerage commissions, transaction fees, and other operating expenses incurred in connection with the acquisition and sale of assets are borne by the sub-fund concerned.

## **VI. Auditor**

### **Article 30 Auditors**

An auditing firm or one or more auditors authorised in the Grand Duchy of Luxembourg and appointed by the general meeting of shareholders shall be entrusted with the control of the annual reports of the Investment Company.

The auditor/auditors is/are appointed for a period of up to six years and may be removed from office by the general meeting at any time.

After the expiry of the six years, the auditor may be re-elected by the general meeting.

## **VII. General and final provisions**

### **Article 31 Use of Income**

1. The Board of Directors may distribute the income generated in the relevant sub-fund to the shareholders, or it may reinvest this income. This is specified for each sub-fund in the Supplement to the Prospectus.
2. Both ordinary net income and realised price gains may be distributed. In addition, unrealised price gains, other assets and, in exceptional cases, capital shares may be distributed, provided that this distribution does not cause the net assets of the Company to fall below the minimum limit set out in Article 8 of these Articles of Association.
3. Distributions are paid out on the basis of the shares issued on the date of distribution. Distributions may be made in whole or in part in the form of bonus shares. Any fractional remainders may be paid out in cash. Any income that is not claimed within five years of publication of an announcement of distribution is forfeited in favour of the sub-fund.
4. Distributions to bearers of registered shares are made through reinvestment of the distribution amount in favour of the bearer of the registered shares. If this is not desired, the bearer of registered shares may apply at the Registrar and Transfer Agent for the payment to be made to an account specified by the bearer within 10 days after receipt of the notification regarding the distribution.

### **Article 32 Reports**

An audited annual report and a semi-annual report are prepared for the Investment Company in accordance with the legal requirements in the Grand Duchy of Luxembourg.

No later than four months after the end of each financial year, the Board of Directors publishes audited accounts in accordance with the applicable laws and regulations in the Grand Duchy of Luxembourg.

Two months after the end of each financial year, the Board of Directors publishes an unaudited semi-annual report in accordance with the applicable laws and regulations in the Grand Duchy of Luxembourg.

If required for the authorisation to distribute in other countries, additional audited and unaudited interim reports may be prepared.

## Article 33

## Costs

Each sub-fund bears the following costs, provided they arise in connection with its assets:

1. If a management company is appointed, it may receive a (fixed and/or performance-based) fee from the assets of the sub-fund, the maximum amount, calculation and payment of which are listed in the Supplement to the Prospectus. This compensation is subject to VAT.

The Management Company, or the Fund Manager, if any, may also receive a performance fee from the net assets of the sub-fund. The percentage amount, calculation and payment for the Fund are described in the Supplement to the Prospectus.

For the implementation of trading activities, the Management Company receives normal market charges and fees incurred during transactions in connection with the sub-fund, in particular in securities and other permissible assets.

2. If a fund manager has been contractually obligated, it may receive a fixed and/or performance-related fee from the sub-fund assets or from the management fee, the maximum amount, calculation and payment of which are listed in the Supplement to the Prospectus. This compensation is subject to VAT.
3. If an investment advisor has been contractually obligated, it may receive a fixed and/or performance-related fee from the sub-fund assets or from the fee of the Management Company or the Fund Manager, the maximum amount, calculation and payment of which are listed in the Supplement to the Prospectus. This compensation is subject to VAT.
4. The depositary and the central administration agent and registrar and transfer agent receive a standard banking fee in the Grand Duchy of Luxembourg for the performance of their duties. The amount, calculation and payment of this fee are indicated in the Supplement to the Prospectus. This compensation is subject to VAT.
5. If a Distributor has been contractually obligated, it may receive a fee from the assets of the sub-fund, the maximum amount, calculation and payment of which are listed in the Supplement to the Prospectus. This compensation is subject to VAT.
6. In addition to the costs listed above, the sub-fund also bears the following costs, provided they arise in connection with its sub-fund assets:
  - (a) costs arising in connection with the acquisition, holding and sale of assets, in particular customary banking fees for securities transactions and other assets and rights of the Investment Company and their custody, and customary banking expenses for holding foreign securities in custody abroad;
  - (b) all foreign management and custody fees charged by other correspondent banks and/or clearing agents (e.g., Clearstream Banking S.A.) for the assets of the sub-fund, as well as all foreign settlement, shipment and insurance expenses incurred in connection with the securities transactions of the Fund in shares of other UCITS or UCIs;
  - (c) in addition, the depositary, the central administration agent and the registrar and transfer agent are reimbursed for their own expenses and other costs incurred in connection with the sub-fund assets, as well as other costs and expenses arising when it is necessary to make use of third parties. The depositary also receives customary banking fees;
  - (d) taxes levied on the assets, income and expenses of the Investment Company;
  - (e) costs incurred by the Investment Company, the Management Company or the depositary for legal advice when acting in the interests of the shareholders;
  - (f) costs of the auditor of the Investment Company;

- (g) costs of producing, preparing, depositing, publishing, printing and shipping all documents for the Investment Company, in particular any unit certificates and renewal of coupon sheets, the Prospectus (with Supplement), the Articles of Association, the annual and semi-annual reports, the schedule of investments, notices to shareholders, convocations, distribution notices or applications for approval in countries in which shares of the Investment Company are to be distributed and correspondence with the appropriate supervisory authorities;
- (h) management fees payable for the Investment Company at all authorities concerned, especially management fees of the Luxembourg supervisory authority and other supervisory authorities as well as fees for lodging the documents of the Investment Company;
- (i) costs in connection with any exchange listing;
- (j) advertising costs and costs incurred directly in connection with the offer and sale of shares;
- (k) insurance costs;
- (l) fees, expenses and other costs of foreign paying agents and distributors and other offices that are necessary to establish abroad incurred in connection with the assets of the sub-fund;
- (m) interest accrued on loans taken out in accordance with Article 4 of the Articles of Association;
- (n) any fees and expenses of any investment committee;
- (o) any fees and expenses of the Board of Directors of the Investment Company;
- (p) the costs of establishing the Investment Company and the initial issue of shares;
- (q) additional management costs, including costs for interest groups;
- (r) costs for performance attribution;
- (s) costs of having the Investment Company rated by nationally and internationally-recognised credit rating agencies;
- (t) reasonable costs for risk controlling;
- (u) the cost of providing analytical material or services by third parties with respect to one or more financial instruments or other assets, or with respect to issuers or potential issuers of financial instruments, or closely related to a specific industry or market;
- (v) telephone, fax and the use of other electronic means of communication and for external information media (such as Reuters, Bloomberg, VWD, and other equivalent means); and
- (w) costs for domiciliation and company secretary services.

All costs are first charged to the ordinary income and the capital gains and then finally to the assets of the sub-fund.

The formation costs of the Investment Company and costs for the initial issue of shares are written off against the assets of the sub-funds in existence upon formation over the first five business years. Costs in connection with the issue of additional sub-funds are written off against the corresponding sub-fund assets within a period of a maximum of five years after launch.

None of the above costs, fees and expenses include any value-added tax payable.

Assets may be acquired for the respective sub-fund that are not authorised for trading on a stock exchange or included on an organised market. The Management Company may make use of third-party services in the management of OTC derivatives transactions and collateral for derivative transactions. The related market costs for using the services of third parties as well as customary internal costs of the Management Company are charged to the relevant sub-fund. The Management Company may, however, charge the sub-fund or one or more share classes lower fees or refrain from charging a fee. The cost of third-party services is not covered by the management fee and thus additionally charged to the sub-fund. These costs and any losses from OTC derivatives transactions reduce the results of the Fund. The Management Company specifies the fees charged for these third parties for the sub-fund or share classes in the annual and semi-annual report.

**Article 34**                      **Financial year**

The financial year of the Investment Company begins on 1 January of each calendar year and ends on 31 December of that year.

**Article 35**                      **Depositary**

The Investment Company shall ensure that a single depositary which meets the requirements of the Law of 17 December 2010 is appointed. The appointment of the depositary is agreed in writing and the depositary will fulfil the duties and responsibilities as provided for by the Law of 17 December 2010. In carrying out its role as depositary, the depositary must act solely in the interests of the investors.

**Article 36**                      **Amendments to the Articles of Association**

These Articles of Association may be amended or supplemented at any time by resolution of the shareholders, provided that the provisions of the Law of 10 August 1915 on amendments to the Articles of Association are complied with.

**Article 37**                      **General provisions**

For all points not governed by these Articles of Association, please refer to the provisions of the Law of 10 August 1915 and the Law of 17 December 2010.