



# **IVA Global SICAV**

*Société d'investissement à capital variable*

Luxembourg

Prospectus

**June 2017**

# IVA Global SICAV

*Société d'investissement à capital variable*

Registered Office:

106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

## IMPORTANT INFORMATION

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, solicitor, accountant or other financial adviser. No person is authorized to give any information other than that contained in this Prospectus, or any of the documents referred to herein that are available for public inspection at 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.**

- IVA Global SICAV, an investment company with variable capital (*société d'investissement à capital variable*), is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment in transferable securities pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment and the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), both as may be amended from time to time. However, such registration does not imply a positive assessment by the supervisory authority of the contents of this Prospectus or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorized and unlawful.
- The Company has appointed a Management Company in accordance with Part I of the UCI Law, as further detailed below.
- The Company is organized in an umbrella structure with one or more Sub-Fund(s).
- This Prospectus does not constitute an offer to anyone or solicitation by anyone in any jurisdiction in which such an offer or solicitation is unlawful or in which the person making such an offer or solicitation is not qualified to do so.
- Only statements made in this Prospectus are regarded as authorized. The information contained in this Prospectus is considered to be accurate at the date of its publication. To reflect material changes, this Prospectus may be updated from time to time and potential subscribers should enquire of the Company as to the issue of any later Prospectus.
- The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this Prospectus and of any person wishing to subscribe for Shares pursuant to this Prospectus to inform itself of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Shares should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.
- The Company also publishes key investor information documents (the "**KIIDs**"), which include information about the essential characteristics of the Company in order to enable investors to understand the nature and the risks of an investment in the Company and to make their investment decision on an informed basis.

- Subscriptions for Shares can be accepted only on the basis of the current Prospectus and the KIIDs. The Company produces an Annual Report containing the audited accounts and Semi-Annual Report. These reports in their latest version will form an integral part of the Prospectus.

#### NOTICE TO INVESTORS IN SWITZERLAND

- The Swiss representative is **Carnegie Fund Services S.A.**, 11, rue du Général-Dufour, 1204 Geneva (the "**Representative**"). The Swiss paying agent is **Banque Cantonale de Genève**, 17, Quai de l'Île, 1204, Geneva. In respect of Shares distributed in or from Switzerland, the place of performance and the place of jurisdiction are at the registered office of the Representative in Switzerland.
- The Prospectus, the Key Investor Information Documents, the Articles of Incorporation of the Company and the annual and semi-annual reports of the Company may be obtained free of charge from the Representative.
- Publications in respect of the Company shall be made on [www.swissfunddata.ch](http://www.swissfunddata.ch). The issue and redemption prices or the net asset value together with a footnote stating "*excluding commissions*" must be published each time Shares are issued or redeemed on [www.swissfunddata.ch](http://www.swissfunddata.ch). The prices are published daily.
- The Company and its affiliates may pay Retrocessions. "**Retrocessions**" are deemed to be payments and other soft commissions paid by the Company and its affiliates to eligible third parties for distribution activities in respect of Shares of the Company in and from Switzerland. With such payments, the Company compensates the respective third parties for activities whose object is, whether directly or indirectly, the purchase of Shares by an investor, like, as non-exhaustive examples:
  - Sales promotions;
  - Organization of road shows and/or fund fairs;
  - Arrangements of meetings with potential investors;
  - Assistance with subscriptions, redemptions and conversions.
- In the event that a recipient of Retrocessions forwards such retrocessions to investors (entirely or partly), such retrocessions shall not qualify as rebates. The recipients of retrocessions must ensure transparent disclosure. They must inform investors, unsolicited and free of charge, about the amount of the compensation they may receive for distribution. On request, they must disclose the amounts they actually receive for the distribution of the collective investment schemes held by the investors concerned.
- The Representative considers that the laws at the Company's domicile regarding Retrocessions (as defined above) in and from Switzerland do not provide for rules stricter than the Swiss rules.
- The Company and its affiliates do not intend to pay "**Rebates**", defined as payments by the Company and its affiliates directly to Investors from a fee or cost charged to the Company with the purpose of reducing the said fee or cost to an agreed amount. It is therefore irrelevant whether or not the law at the Company's domicile provides for rules stricter than the Swiss rules regarding Rebate payments in Switzerland.

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## Directory

### *Board of Directors*

Chairman	Michael W. Malafronte	International Value Advisers, LLC 717 Fifth Avenue New York, NY 10022 USA
Member	Stefanie Hempstead	International Value Advisers, LLC 717 Fifth Avenue New York, NY 10022 USA
Member	Shanda Scibilia	International Value Advisers, LLC 717 Fifth Avenue New York, NY 10022 USA
Member	Philippe Meloni	Lemanik Asset Management S.A. 106, route d'Arlon L-8210 Mamer Grand Duchy of Luxembourg
Member	Jean-Philippe Claessens	Lemanik Asset Management S.A. 106, route d'Arlon L-8210 Mamer Grand Duchy of Luxembourg

### *Management Company*

The Company has appointed Lemanik Asset Management S.A., a "*société anonyme*" incorporated on 1 September 1993 and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg, and registered in Luxembourg under the number B 44.870 as its management company.

### *Administration and Advisers*

Depository	State Street Bank Luxembourg S.C.A. 49, avenue J. F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Central Administration, Principal Paying Agent, Registrar and Transfer Agent	State Street Bank Luxembourg S.C.A. 49, avenue J. F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Data Processing Agent	International Financial Data Services (Canada) Limited 30 Adelaide Street East, Suite 1 Toronto, Ontario M5C3G9 Canada
Domiciliary Agent	Lemanik Asset Management S.A. 106, route d'Arlon L-8210 Mamer Grand Duchy of Luxembourg

Investment Manager for all the Sub-Funds(s) and Global Distributor	International Value Advisers, LLC 717 Fifth Avenue New York, NY 10022 USA
Auditor	Deloitte Audit S.à r.l. 560, Rue de Neudorf L-2220 Luxembourg Grand Duchy of Luxembourg
Legal Adviser	Clifford Chance 10, boulevard G.D. Charlotte L-1330 Luxembourg Grand Duchy of Luxembourg

## Definitions

<b>1933 Act</b>	The U.S. Securities Act of 1933, as amended
<b>1940 Act</b>	The U.S. Investment Company Act of 1940, as amended
<b>2007 CESR Guidelines</b>	The guidelines concerning eligible assets for investment by UCITS, established by the Committee for European Securities Regulators ("CESR"), dated March 2007 and updated in September 2008, with reference CESR 07/044b
<b>2008 Grand-Ducal Regulation</b>	The Luxembourg Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment, as amended.
<b>ADRs</b>	American Depositary Receipts
<b>Annual Report</b>	Audited Annual Report for the period ending on 30 June of each year and for the first time on 30 June 2010
<b>Appendix</b>	An appendix to this Prospectus
<b>Auditor</b>	Deloitte Audit S.à r.l.
<b>Base Currency</b>	The currency of each Sub-Fund, in which the Net Asset Value per Share is calculated
<b>Board or Board of Directors</b>	The board of directors of the Company
<b>Business Day</b>	A day that is both a full bank business day in Luxembourg and on which the New York Stock Exchange is open
<b>Category</b>	Has the meaning given to it in Sections <i>Form of Shares</i> and <i>Classes and Categories of Shares</i> of this Prospectus
<b>Categories</b>	Has the meaning given to it in Sections <i>Form of Shares</i> and <i>Classes and Categories of Shares</i> of this Prospectus
<b>CDS</b>	Credit Default Swap
<b>CHF</b>	The Swiss Franc, the legal currency of the Swiss Confederation
<b>Central Administrator</b>	State Street Bank Luxembourg S.C.A.
<b>Class(es)</b>	One or more classes of Shares that may be available in each Sub-Fund, the assets of which shall be commonly invested according to the investment objective of that Sub-Fund, but where a specific sales and/or redemption charge structure, fee structure, distribution policy, Reference Currency or hedging policy shall be applied
<b>Company</b>	IVA Global SICAV
<b>Contract Note</b>	A confirmation statement issued by the Registrar and Transfer Agent to the Investor detailing the transaction relating to the subscription, conversion or redemption of Shares, as the case may be
<b>CSSF</b>	The Luxembourg supervisory authority, the <i>Commission de Surveillance du Secteur Financier</i>

<b>Depository</b>	State Street Bank Luxembourg S.C.A.
<b>Cut-Off Time</b>	4:00 p.m., Eastern Standard Time
<b>Data Processing Agent</b>	International Financial Data Services (Canada) Limited
<b>Director</b>	A member of the Board of Directors of the SICAV
<b>EDRs</b>	European Depository Receipts
<b>ETF(ETC)s</b>	Exchange Traded Funds or Exchange Traded Commodities, as the case may be
<b>EU</b>	The European Union
<b>EU Member State</b>	A member state of the EU
<b>Euro or EUR</b>	The lawful currency of the EU Member States that have adopted the single currency in accordance with the Treaty on the Functioning of the European Union
<b>Financial Intermediary</b>	Includes any broker, dealer, bank (including bank trust departments), investment adviser, financial planner, retirement plan administrator, third-party administrator, insurance company and any other institution having a selling, administration or any similar agreement with the fund's Global Distributor
<b>Financial Year</b>	The 12 months ending on 30 June of each calendar year, provided that the first Financial Year of the Company shall begin on the creation of the Company and end on 30 June 2010 and the last Financial Year of the Company shall end on the date of the final liquidation of the Company
<b>GAFI</b>	<i>Groupe d'Action Financière</i> or financial action task force
<b>GDRs</b>	Global Depository Receipts
<b>Global Distributor</b>	International Value Advisers, LLC acting in its capacity as Global Distributor to distribute the shares of the Sub-Funds
<b>IFDS</b>	International Financial Data Service (Luxembourg) S.A.
<b>Initial Price</b>	With respect to any Sub-Fund and Class, the price at which Shares of such Class in such Sub-Fund will be issued during the Initial Offer Period, as specified for each Sub-Fund and Class in Appendix D
<b>Initial Subscription Day</b>	The first Business Day on which Shares are offered for subscription at the Initial Subscription Price, as determined for each Class in each Sub-Fund in Appendix D
<b>Institutional Investor</b>	Means any Investor which complies with the rules issued and interpreted by the CSSF and any applicable laws and regulations from time to time in force in Luxembourg
<b>Investor</b>	A retail or an institutional investor
<b>Investment</b>	Instruments that have been acquired and/or are owned, directly or indirectly, by a Sub-Fund
<b>Investment Manager</b>	International Value Advisers, LLC acting in its capacity as Investment Manager to manage the assets of the Sub-Funds
<b>Investment Powers and Restrictions</b>	The investment powers and restrictions of the Company, respectively of a Sub-Fund, as set out in Appendix A
<b>Junk Bonds</b>	Securities rated BB or lower by Standard & Poor's Corporation or Ba or lower by Moody's Investors Service, Inc.
<b>KIID</b>	The key investor information document as drawn up by the Company in accordance with the UCITS Directive and the UCI Law
<b>Management Company</b>	The Company's management company in Luxembourg, Lemanik Asset Management S.A.
<b>Mémorial</b>	The <i>Mémorial, Recueil des Sociétés et Associations</i> , the official gazette of the Grand Duchy of Luxembourg
<b>Minimum Holding</b>	Minimum number of Shares or amount in the relevant Reference Currency, which a Shareholder must hold in a given Sub-Fund or Class in the case of subscription, redemption or conversion requests

	for Shares held in that Sub-Fund or Class
<b>Moody's</b>	Moody's Investors Service, Inc.
<b>Net Asset Value</b>	The Net Asset Value per Share of each Class and Category in each Sub-Fund, as determined in accordance with the Appendix C
<b>New Category</b>	New Category of Shares in a Sub-Fund after conversion
<b>New Sub-Fund</b>	New Sub-Fund into which Shares are converted
<b>Original Category</b>	Initial category of Shares of a Sub-Fund before conversion
<b>Original Sub-Fund</b>	Original Sub-Fund from which Shares are converted into Shares in a New Sub-Fund
<b>OTC derivatives</b>	Financial derivative instruments dealt in over-the-counter
<b>PIK securities</b>	Pay-in-kind securities
<b>Prohibited Person</b>	A US Person or any other person, firm, partnership or corporate body whose holding of Shares, in the sole opinion of the Company, may be detrimental to the interests of the existing Shareholders or of the Company, may result in a breach of any law or regulation, whether Luxembourg or otherwise; or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. The Board of Directors shall determine such persons, firms, partnerships or corporate bodies in its sole discretion
<b>Prospectus</b>	The present prospectus of the Company, as amended from time to time
<b>Redemption Price</b>	Has the meaning ascribed to it in Section <i>Redemption of Shares</i> of this Prospectus
<b>Reference Currency</b>	The currency of payment for Shares of each Class and/or Category will be the Reference Currency of the relevant Sub-Fund except as otherwise provided for in Appendix D
<b>Registrar</b>	State Street Bank Luxembourg S.C.A.
<b>Regulated Market</b>	Regulated Market, as defined in Article 4 point 1 (14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 as amended or replaced from time to time
<b>S&amp;P</b>	Standard & Poor's Corporation
<b>Semi-Annual Report</b>	An un-audited semi-annual report for the period ending on 31 December of each year
<b>Share(s)</b>	Share of any Class and Category issued by the Company in any Sub-Fund and any share issued in exchange for those shares or by way of conversion or reclassification, and any shares representing or deriving from those shares as a result of any increases in or reorganization or variation of the capital of the Company
<b>Shareholder(s)</b>	The holder of one or more Shares in the capital of the Company
<b>"Securities Financing Transaction" or "SFT"</b>	Has the meaning ascribed to it in the SFT Regulation
<b>"SFT Regulation"</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b>SICAV</b>	<i>Société d'investissement à capital variable</i>
<b>Special Investment and Hedging Techniques and Instruments</b>	The Special Investment and Hedging Techniques and Instruments, as specified in Appendix B
<b>Sub-Fund</b>	Any sub-fund of the Company
<b>Subscription Currency</b>	The currency at which a Share of the relevant Sub-Fund is subscribed. The Subscription Currency must correspond to be the Reference Currency
<b>IVA Global SICAV Application</b>	An acceptable form to the Company for an investor's first

<b>Form</b>	subscription for Shares
<b>Subscription Price</b>	Net Asset Value per Share of the relevant Class and Category of a Sub-Fund (as described under Section " <i>Subscription Procedure</i> " of this Prospectus)
<b>Transfer Agent</b>	State Street Bank Luxembourg S.C.A.
<b>UCI(s)</b>	Undertaking(s) for collective investment
<b>UCI Law</b>	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended or replaced from time to time
<b>UCITS</b>	Undertaking for collective investment in transferable securities pursuant to Part I of the UCI Law and the UCITS Directive
<b>UCITS Directive</b>	The European Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended from time to time
<b>US Person</b>	A citizen or resident of the United States of America, its territories, possessions or areas subject to its jurisdiction
<b>USD</b>	The United States Dollar, the lawful currency of the member states of the United States of America
<b>Valuation Day</b>	The Net Asset Value per Share of each Class and Category in each Sub-Fund is calculated on each Day that is a Business Day unless otherwise disclosed in Appendix D. The Company will arrange for the publication of the Net Asset Value per Share in each Class and Category on the next Business Day in the relevant Reference Currency and in any other currency as determined by the Board of Directors on the following website: <a href="http://www.ivafunds.com">www.ivafunds.com</a> . The Net Asset Value per Share of each Class and/or Category in any particular Sub-Fund is also made public at the registered office of the Company and is available at the offices of the Depositary

## Investment Objective, Policy and Restrictions

### *Investment Objective*

The Company primarily seeks long-term growth of capital by investing in a range of securities and asset classes from markets throughout the world. No attempt is made to construct a portfolio relative to a benchmark. Rather, the objective is to achieve a positive annual return with a high annual downside risk. To achieve its objective, the Company will particularly seek investments in companies of any capitalization that have fundamental value, financial strength and stability. However, the Company may also invest in companies with fundamental value that do not have these other characteristics.

**There is no assurance that the Company's investment objective will be achieved.**

### *Investment Policy*

The Company may make Investments in the broadest sense of Part I of the UCI Law, relevant administrative and regulatory regulations and applicable law. The investment policy described herein applies to all the Sub-Funds. Specific Provisions applying to each Sub-Fund, either in addition or in derogation to the provisions contained herein, are detailed in Appendix D.

The investment policy of the Company can be broadly characterized as a fundamental value approach. The Company's strategy is based on the idea of "intrinsic value" and the related concept of a "margin of safety" originally articulated by Benjamin Graham and further advanced by Warren Buffett. As defined by the Investment Manager, intrinsic value is the amount a knowledgeable investor or corporate competitor would pay in cash for 100% of the economic and controlling interests of a company. An equity security is deemed attractive by the Investment Manager if there is a large positive difference, or margin of safety, between the security's intrinsic value and its market price. The margin of safety can be negatively affected by and is inversely correlated to the level of indebtedness carried by the issuer of an equity security<sup>1</sup>.

The Investment Manager believes this investment approach lowers investment risk and increases capital appreciation potential. The Investment Manager identifies investment opportunities through intensive research of individual companies and generally does not focus on stock market conditions and other macro factors. For these reasons, the Investment Manager may seek Investments in the equity securities of companies in industries that are believed to be temporarily depressed. The Company and the Sub-Fund(s) will at all times comply with the Investment Powers and Restrictions detailed in Appendix A.

The Company may not sell securities short. The Investment Manager may, for and on behalf of the Sub-Fund, write put contracts, being either partially or fully covered, in order to acquire underlying transferable securities at a price deemed attractive by the Investment Manager.

In order to try to further mitigate the risk of impairment of capital, the Investment Manager may, for and on behalf of the Sub-Fund, consider Investments in fixed-income securities of U.S. or non-U.S. issuers which may provide some income and in certain cases a potential for long-term growth of capital.

In addition, the Investment Manager may, for and on behalf of the Sub-Fund, invest without limitation in sovereign debt instruments of developed countries and short-term debt instruments including commercial paper and certificates of deposits.

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<sup>1</sup>Graham, Benjamin; Jason Zweig [1949] (2003-07-08). *The Intelligent Investor*, Warren E. Buffet (collaborator), 2003 Edition, Harper Collins, ISBN 0-06-055566-1.

Other asset classes with different correlations to the economy or the stock market may also be considered by the Investment Manager in order to provide further diversification or to seek downside protection in a difficult stock market. These include, among others, lower-rated debt securities, interest rate swaps, real estate transferable securities, selling covered calls and purchasing put options on specific stocks or indices.

The Sub-Fund may finally invest in certain cash equivalents, and in the case of the non-USD Shares, engage in currency exchange transactions to, among other reasons, hedge against losses in the Reference Currency value of portfolio securities resulting from possible variations in exchange rates. A currency exchange may be conducted on a spot (i.e. cash) basis or through a forward currency exchange contract.

### ***Investment Restrictions; Investment Policies of the Sub-Funds***

Each Sub-Fund is managed in accordance with the Investment Powers and Restrictions specified in Appendix A, and the Special Investment and Hedging Techniques and Instruments specified in Appendix B.

The specific investment objectives and investment policy of each of the Sub-Funds, as decided by the Board of Directors, is described in Appendix D.

The Board of Directors may decide to create further Sub-Funds with different investment objectives, and in such cases, this Prospectus will be updated accordingly. Each Sub-Fund corresponds, in accordance with article 181 of the UCI Law, to a distinct part of the assets and liabilities of the Company.

The Company and the Management Company will use a risk-management process that enables it to monitor and measure at any time the risk of the Sub-Funds' portfolio positions and their contribution to the overall risk profile of the portfolio. The Company will also employ a process allowing for accurate and independent assessment of the value of financial derivative instruments dealt in over-the-counter.

The Company and the Management Company shall ensure that a Sub-Fund's global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio. The Company and the Management Company use the commitment approach for the risk measurement and the calculation of global exposure of IVA Global SICAV I, in accordance with the most recent applicable guidelines of the European Securities and Markets Authority (ESMA). Other risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

## **Risk Factors**

An investment in the Company entails a high degree of risk, including the risk of loss of the entire amount invested. Therefore, an investment in the Company should be undertaken only by investors capable of evaluating the merits and risks of the Company and bearing the risks it represents. Prospective purchasers of Shares should carefully consider the risk factors relating to each specific Sub-Fund, and should consult their own legal, tax and financial advisers, in connection with a purchase of Shares. There can be no assurance that the Company or any of its Sub-Fund(s) will be able to achieve its investment objective or that Investors will receive a return on, or return of, their capital. Investors should be aware that it is possible for them to lose all or a portion of their investment in the Company. The specific risk factors of each Sub-Fund are detailed in Appendix D.

### ***The Proposed Financial Transaction Tax ("FTT")***

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not

participate and on 16 March 2016 it completed the formalities required to leave the enhanced co-operation on FTT.

The proposed FTT has very broad, potentially extraterritorial scope. It would apply to financial transactions where at least one party is a financial institution, and (a) one party is established in a participating Member State or (b) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances.

In relation to many secondary market transactions in bonds and shares, the FTT would be charged at a minimum rate of 0.1% on each financial institution which is party to the transaction. The issuance and subscription of the Shares should, however, be exempt. There are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in bonds or shares (for instance, cleared transactions) could be greatly in excess of 0.1%.

A person transacting with a financial institution which fails to account for FTT would be jointly and severally liable for that tax.

However, a meeting of the European Finance Ministers on 8 December 2015 took note of a statement made by the remaining ten participating Member States relating to the scope and timetable for introduction of the FTT. In that statement, the participating Member States (excluding Estonia) announced agreement on a number of features of the FTT, but indicated that a decision on the remaining open issues would only be made at some point before the end of June 2016. In reference to a note published by the Council of the European Union following an ECOFIN meeting of 17 June 2016, work on FTT would continue in the second half of 2016 in order to seek an implementation of the FTT, timing of which remains unclear.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation.. Additional EU Member States may decide to participate.

Prospective holders of the Shares are advised to seek their own professional advice in relation to the FTT.

### ***Foreign Account Tax Compliance Act ("FATCA")***

Prospective investors and Shareholders shall also comply with the obligations arising in terms of the U.S. Foreign Account Tax Compliance Act (herein after referred to as "FATCA"). To ensure the Company's compliance with FATCA, the Company, the Management Company, the Registrar, the Transfer Agent, the Depository and/or the Global Distributor and/or any of their respective agents or representatives may:

- i. request information or documentation, including withholding certificate (e.g. W-9 or W-8 tax forms), a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the U.S. Internal Revenue Service or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- ii. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a U.S. reportable account under the Luxembourg Intergovernmental Agreement (the "Luxembourg IGA");
- iii. report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institutions; and/or
- iv. deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the Company as required for the Company to comply with FATCA and the Luxembourg IGA.

Prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA to their particular circumstances.

### ***Common Reporting Standard ("CRS")***

Prospective investors and Shareholders shall also comply with the obligations arising under CRS which has been implemented in Luxembourg by the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. To ensure the Company's compliance with CRS and avoid any penalty up to EUR 250,000, the Company, the Management Company, the Registrar, the Transfer Agent, the Depositary and/or the Global Distributor and/or any of their respective agents or representatives may:

- i. conduct due diligence and obtain information or documentation, including self-certification forms, confirming the tax residency, tax identification number and CRS classification of the Shareholders;
- ii. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities; and/or
- iii. report information (which may vary depending on the nature of the account) to the Luxembourg tax authorities in relation to the activity taking place in the reportable account of a Shareholder and the balance of reportable accounts.

Prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of CRS to their particular circumstances.

## **Description of the Shares**

### ***Form of Shares***

All Shares are issued in uncertificated registered form, and the share register is conclusive evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

The Shares in the Sub-Funds may be divided into various Classes of Shares. These Classes may be sub-divided into various Categories. For further information about the rights attaching to the various Classes of Shares and to the various Categories, please refer to the section headed "*Classes and Categories of Shares*".

Shares are freely transferable, with the exception that Shares may not be transferred to a Prohibited Person, and subject to the qualification that Class I Shares may only be transferred to and held by Institutional Investors. Upon issue, Shares are entitled to participate equally in the profits and/or dividends attributable to the relevant Class and Category in the Sub-Fund in which the Shares have been issued, as well as in the liquidation proceeds attributable to such Class and Category.

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Sub-Fund, Class and Category to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of Shareholders. Shares are issued without par value and must be fully paid for on subscription.

### ***Issue of Shares***

In each Sub-Fund, Shares will be issued at the applicable Net Asset Value per Share of the relevant Class and Category. Fractions of Shares rounded off to two (2) decimal places will be issued, the Company being entitled to receive the adjustment. Fractions of Shares are not entitled to a vote, but are entitled to participate *pro rata* in the net assets, distributions and liquidation proceeds.

**It should be remembered that the Net Asset Value per Share can go down as well as up.** An investor may not get back the entire amount it has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to charges. Changes in exchange rates may also cause the Net Asset Value per Share in the investor's Base Currency to go up or down. No guarantee as to future performance of, or future return from, the Company, can be given by the Company, the Management Company, any Director or any adviser thereto.

No Shares of any Class and Category will be issued by the Company in a Sub-Fund during any period in which the determination of the Net Asset Value of the Shares of that Sub-Fund is suspended by the Company, as noted in Appendix C.

### ***Classes and Categories of Shares***

The Company may offer Shares of different Classes in each Sub-Fund, which may carry different rights and obligations, *inter alia*, with regard to their target investors, fee structure, their minimum initial subscription or holding amounts. Currently, Shares in each of the Sub-Funds are issued in three (3) Classes: Class A Shares, Class I Shares and Class W Shares. Class A Shares are generally available to any retail investor that is not a Prohibited Person. Class I Shares are only available to Institutional Investors that are not Prohibited Persons. Class W Shares are available to (i) financial intermediaries investing on behalf of any investor under investment advisory or discretionary management mandates that is not a Prohibited Person; (ii) employees (and immediate family members thereof) of the Global Distributor; and (iii) others at the discretion of the Global Distributor.

The Classes may be sub-divided into Categories which may differ *inter alia* with regard to their Reference Currency or distribution policy. Shares in each Class will be issued with accumulation of income.

The Classes and Categories of Shares offered in each of the Sub-Funds, as decided by the Board of Directors, are described in Appendix D. The Board of Directors may, at any time and in its discretion, decide to create further Classes and/or Categories of Shares whose features may differ from those of the existing Classes and/or Categories, and in such cases, this Prospectus will be updated accordingly.

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

## **Subscription for Shares**

### ***Initial Subscription***

The Initial Subscription Day or the Initial Offering Period for each newly created or activated Sub-Fund and/or Class and/or Category and the Initial Price, of Shares in such Sub-Funds and/or Class and/or Category will be determined by the Board of Directors and disclosed in Appendix D.

### ***Subscription after the Initial Subscription Day or Initial Offering Period***

After the Initial Subscription Day or after the Initial Offering Period for a Sub-Fund has closed, the Subscription Price of each Class of each Sub-Fund will be equal to the Net Asset Value per Share of relevant Class and/or Category (as described under section headed "*Subscription Procedure*").

Any taxes, commissions and other fees incurred in the respective countries in which the Shares are sold will also be charged directly to the Investor.

As specified in Appendix D, for Class A Shares the Investor may be charged a sales charge of up to 1% of the subscription amount by the relevant sub-distributor(s).

## ***Subscription Procedure***

An Investor's first subscription for Shares must be made in writing to the Registrar and Transfer Agent in Luxembourg or the Data Processing Agent using the IVA Global SICAV Application Form or by electronic means acceptable by the Registrar and Transfer Agent or Data Processing Agent. Subsequent subscriptions for Shares may be made in writing, by fax, or by any other electronic means acceptable the Registrar and Transfer Agent or Data Processing Agent.

Joint subscribers must all sign the IVA Global SICAV Application Form unless a power of attorney is provided which is acceptable to the Company.

The minimum initial investment and the Minimum Holding for each Class and Category of each Sub-Fund are as set out in Appendix D. The Board of Directors may, at its discretion, waive or modify such minimum limits.

Subscriptions for Shares in any Sub-Fund, received by the Registrar and Transfer Agent or Data Processing Agent on any Valuation Day before the relevant Cut-Off Time, will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day, as further described in Appendix C.

Payment for all subscriptions of Shares must be received in cleared funds by the Depositary no later than three (3) Business Days following the applicable Valuation Day. Payments must be made in the relevant Reference Currency (subject to the payment procedure as detailed under section headed "*Subscription for Shares*"). If timely payment for Shares is not made, the relevant issue of Shares may be cancelled, and a subscriber may be required to compensate the Company for any loss incurred in relation to such cancellation.

Any subscriptions received by the Registrar and Transfer Agent or Data Processing Agent after the relevant Cut-Off Time on any Valuation Day, or on any day that is not a Valuation Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Share of the relevant Class and Category determined on such Valuation Day.

The Company or its agents may accept duly completed orders after the Cut-Off Time on any Valuation Day and effect those transactions as if those orders were received by the Cut-Off Time on that Valuation Day if the Company receives all necessary assurances from the Financial Intermediary placing the orders that the orders represent transactions placed with or through that Financial Intermediary by investors prior to the Cut-Off Time on the relevant Valuation Day.

The Company may restrict or prevent the ownership of Shares by a Prohibited Person, if in the sole opinion of the Company such holding may be detrimental to the interests of either the existing Shareholders and/or of the Company, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Unless otherwise determined by the Global Distributor, Shares may not be offered or sold, directly or indirectly, in Canada or to Canadian citizens or residents.

As the Company is not registered under the 1933 Act, nor under the 1940 Act, the Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to US Persons except in accordance with applicable exemptions from the 1933 Act and from the 1940 Act.

Accordingly, the Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not it is, or will be, a Prohibited Person, a US Person, an Institutional Investor or a non-FATCA compliant person.

The Company retains the right to offer only one Class and/or Category for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Company's commercial objectives.

If the Board of Directors determines that it would be detrimental to the existing Shareholders to accept a subscription for Shares of any Sub-Fund that represents more than 10% of the net assets of such Sub-Fund, then they may postpone the acceptance of such subscription and, in consultation with the incoming Shareholder, may require it to stagger its proposed subscription over an agreed period of time.

### ***Payment Procedure***

The currency of payment for Shares of each Class and/or Category will be the Reference Currency of the relevant Class or Category.

The IVA Global SICAV Application Form may be obtained from the Registrar and Transfer Agent or Data Processing Agent.

If timely payment for Shares (as detailed under section headed "*Subscription Procedure*") is not made, the relevant issue of Shares may be cancelled, and a subscriber may be required to compensate the Company for any loss incurred in relation to such cancellation.

### ***Notification of Transaction***

A Contract Note will be sent to the subscriber (or his nominated agent if so requested by the subscriber) either via fax or by post as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

Subscribers will be given a personal account number on acceptance of their initial subscription, and this, together with the Shareholder's personal details, is proof of their identity to the Company. The account number should be used by the Shareholder for all future dealings with the Company, correspondent bank and the Registrar and Transfer Agent or Data Processing Agent.

Any changes to the Shareholder's personal details or loss of account number must be notified immediately to the Registrar and Transfer Agent or Data Processing Agent in writing. Failure to do so may result in the delay of an application for redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

### ***Rejection of Subscriptions***

The Company may in its absolute discretion reject any subscription either in whole or in part, and the Board of Directors may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares of any Class and/or Category in any one or more Sub-Funds.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

### ***Suspension of Net Asset Valuation***

No Shares will be issued by the Company in any Sub-Fund during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the Company pursuant to the powers contained in its articles of incorporation and as discussed in Appendix C.

Notice of suspension will be given to subscribers, and subscriptions made or pending during a suspension period may be withdrawn by notice in writing received by the Company prior to the end of the suspension period.

Subscriptions not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on such Valuation Day.

### ***Subscription through Nominees***

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

Pursuant to the global distribution agreement, the Global Distributor may act as a nominee, or appoint any sub-distributor who may act as a nominee, for its clients. Such clients may have a right to address themselves directly to the Company and, as necessary, to terminate their agreement with the Global Distributor, or any delegate thereof, acting as nominee unless the nominee services are indispensable or even mandatory by law, regulations or binding practices.

The right for clients to address themselves directly to the Company is subject to such clients fulfilling all requirements contained in the Prospectus for a direct investment in the relevant share class.

### ***Money Laundering Prevention***

Pursuant to the amended Luxembourg law of 12 November 2004 relating to the fight against money laundering and the financing of terrorism, as amended (the "**Law of 2004**"), and the relevant circulars of the CSSF, obligations have been imposed *inter alia* on UCIs as well as on professionals of the financial sector to prevent the use of UCIs for money laundering purposes and the financing of terrorism. In this context a procedure for the identification of investors has been imposed.

In the case of legal entities, a copy of the subscriber's articles of incorporation and, where applicable, an extract from the commercial register (any such copy must be certified to be a true copy of the original by one of the following authorities: ambassador, consul, notary or police officer) is required. This identification procedure must be complied with by the Central Administration (or the relevant competent agent of the Central Administration) in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering and terrorist financing. It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force (*Groupe d'Action Financière* (the "**GAFI**")) are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

In addition, the Registrar and Transfer Agent reserve the right to request any additional information they deem necessary to verify the identity of the investor for the prevention of money laundering and terrorist financing. Until satisfactory proof of identity, as determined by the Registrar and Transfer Agent, is provided by potential investors or transferees, each of the Registrar and Transfer Agent reserves the right to withhold the issue or approval of registration of subscriptions or transfers of shares. In any such event, the Company, the Registrar and Transfer Agent and the Data Processing Agent will not be liable for any interest, costs or compensation.

Failure to provide proper documentation may result in either the refusal by the Board of Directors to counter-sign the Subscription Agreement and/or the withholding of the payment of the redemption or liquidation proceeds.

Any information provided to the Company in this context is collected for anti-money laundering compliance purposes only.

## **Redemption of Shares**

Shares of any Class may be redeemed either in whole or in part (subject to the Minimum Holding requirement as mentioned under section headed "*Limits on Redemption or Conversion*") on any Valuation Day at a Redemption Price on the basis of the Net Asset Value per Share of the relevant Class and Category determined on such Valuation Day. No redemption charge will be levied except if otherwise provided for in Appendix D.

On payment of the Redemption price, the corresponding Shares will be cancelled immediately in the Company's Share register. Any taxes, withholdings, commissions and other fees incurred in the respective countries in which the Shares are sold will be charged directly to the relevant Shareholder. Each Sub-Fund shall at all times maintain sufficient liquidity to enable satisfaction of any requests for the redemption of Shares.

### ***Procedure for Redemption***

Shareholders wishing to have all or some of their Shares redeemed by the Company may apply to do so in writing, by fax, or by any other electronic means acceptable to the Registrar and Transfer Agent or Data Processing Agent.

The application for redemption of any Shares must include:

- (a) either (i) the monetary amount the Shareholder wishes to redeem; or (ii) the number of Shares the Shareholder wishes to redeem;
- (b) the Class, Category and Sub-Funds from which such Shares are to be redeemed; and
- (c) the personal bank account details of the Shareholder.

In addition, the application for redemption must include the Shareholder's personal details together with his account number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the Shareholder concerned.

Subject to the provisions explained below under "*Temporary Suspension of Redemption*", applications for redemption will be considered as binding and irrevocable by the Company and must be duly signed by all Shareholders, save in the case of joint registered Shareholders where an acceptable power of attorney has been provided to the Company.

Applications for redemption from any Sub-Fund, received by the Registrar and Transfer Agent or Data Processing Agent on any Valuation Day before the relevant Cut-Off Time, will be processed on that Valuation Day using the Net Asset Value per Share of the relevant Class and Category determined on such Valuation Day as described in Appendix C.

Any applications for redemption received by the Registrar and Transfer Agent or Data Processing Agent after the Cut-Off Time on any Valuation Day, or on any day that is not a Valuation Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Share of the relevant Class and Category determined on such Valuation Day.

The Company or its agents may accept duly completed orders after the Cut-Off Time on any Valuation Day and effect those transactions as if those orders were received by the Cut-Off Time on that Valuation Day if the Company receives all necessary assurances from the Financial Intermediary placing the orders that the orders

represent transactions placed with or through that Financial Intermediary by investors prior to the Cut-Off Time on the relevant Valuation Day.

A Contract Note will be sent either via fax or post to the Shareholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Shares being redeemed. Shareholders should check this statement to ensure that the transaction has been accurately recorded. In calculating the redemption proceeds, the Company will round down to two (2) decimal places, the Company being entitled to receive the adjustment.

The Redemption Price of Shares in any Sub-Fund may be higher or lower than the Subscription Price paid by the Shareholder depending on the Net Asset Value per Share of the Sub-Fund at the time of redemption.

Payment for all Shares redeemed in any Sub-Fund will be effected no later than three (3) Business Days after the relevant Valuation Day, unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

### ***Limits on Redemption or Conversion***

The Company is not bound to comply with a request for redemption or conversion of Shares either (i) if the Board of Directors suspended the determination of the Net Asset Value of the Class or Category concerned in compliance with Appendix C and the Company's articles of incorporation or (ii) if after redemption or conversion the Shareholder would be left with a balance of Shares having a value of less than the current Minimum Holding, in which case the Company may decide that this request be treated as a request for redemption or conversion for the full balance of the Shareholder's holding of Shares in such Sub-Fund or Class.

Applications for redemption or conversion on any one Valuation Day, which either singly or when aggregated with other such applications so received, represent more than 10% of the net assets of any one Sub-Fund, may be subject to additional procedures set forth in the section headed "*Procedures for Redemptions and Conversions Representing 10% or more of any Sub-Fund*".

### ***Temporary Suspension of Redemption***

The right of any Shareholder to require the redemption of its Shares will be suspended during any period in which the determination of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Company pursuant to the powers discussed in the section headed "*Temporary Suspension of Determination of Net Asset Value*" in Appendix C. Notice of the suspension period will be given to any Shareholder tendering Shares for redemption. Withdrawal of an application for redemption will only be effective if written notification is received by the Registrar and Transfer Agent or Data Processing Agent before termination of the period of suspension, failing which the Shares in question will be redeemed on the first Valuation Day following the end of the suspension period on the basis of the Net Asset Value per Share determined on such Valuation Day.

### ***Compulsory Redemption***

If the Company discovers at any time that (i) Shares are owned by a Prohibited Person (inter alia a non FATCA compliant person or a US Person), either alone or in conjunction with any other person, whether directly or indirectly, or that (ii) Shares in Class I are owned by an entity which does not qualify as an Institutional Investor, the Board of Directors may at its sole discretion and without liability, compulsorily redeem the Shares at the relevant Redemption Price after giving notice of at least seven (7) calendar days, as described in article 10 "Limitation to the ownership of Shares" of the articles of incorporation of the Company, and upon redemption, the relevant person will cease to be the owner of those Shares. The Company may require any Shareholder to

provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person, a US Person or an Institutional Investor.

## **Conversion of Shares into Shares of a different Sub-Fund or Category**

Shareholders may convert all or part of their Shares of one Category into Shares of another Category of the same Class within the same Sub-Fund or within the same Class of another Sub-Fund without incurring any conversion charge.

Furthermore, Shareholders may also convert all or part of their Shares into Shares of another Class, provided such Shareholders meet the eligibility requirements set out in respect of such Class.

The application for conversion must include (i) which Shares are to be converted and the target Category and Class; and (ii) either the monetary amount the Shareholder wishes to convert or the number of Shares the Shareholder wishes to convert. In addition, the application for conversion must include the Shareholder's personal details together with his account number.

Applications for conversion must be made in writing or by fax to the Registrar and Transfer Agent or Data Processing Agent and be duly signed by all registered Shareholders, save in the case of joint Shareholders where an acceptable power of attorney has been provided to the Company.

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

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding of Shares and the remaining balance within the existing holding is below the minimum requirement as detailed in the section headed "*Limits on Redemption or Conversion*" the Company is not bound to comply with such application for conversion.

Applications for conversion received by the Registrar and Transfer Agent or Data Processing Agent on any Valuation Day before the relevant Cut-Off Time will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day as described in Appendix C.

Any applications for conversion received by the Registrar and Transfer Agent or Data Processing Agent after the Cut-Off Time on any Valuation Day, or on any day that is not a Valuation Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

The Company or its agents may accept duly completed orders after the Cut-Off Time on any Valuation Day and effect those transactions as if those orders were received by the Cut-Off Time on that Valuation Day if the Company receives all necessary assurances from the Financial Intermediary placing the orders that the orders represent transactions placed with or through that Financial Intermediary by investors prior to the Cut-Off Time on the relevant Valuation Day.

Applications for conversion on any one Valuation Day, which either singly or when aggregated with other such applications so received, represent more than 10% of the net assets of any one Sub-Fund, may be subject to additional procedures set forth in the section headed "*Procedures for Redemptions and Conversions Representing 10% or more of any Sub-Fund*".

The rate at which all or part of the Shares in an Original Sub-Fund, Class or Category are converted into Shares in a New Sub-Fund, New Class or a New Category is determined in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

- A is the number of Shares to be allocated in the New Sub-Fund, the New Class or the New Category;
- B is the number of Shares of the Original Sub-Fund, the Original Class or Original Category to be converted;
- C is the Net Asset Value per Share of the relevant Class of the Original Sub-Fund, the Original Class or the Original Category determined on the relevant Valuation Day;
- D is the actual rate of foreign exchange on the day concerned in respect of the Reference Currency of the Original Sub-Fund, the Original Class or the Original Category and the Reference Currency of the New Sub-Fund, the New Class or the New Category, and is equal to 1 in relation to conversions between Sub-Funds, Classes or Categories denominated in the same Reference Currency;
- E is the Net Asset Value per Share of the relevant Class of the New Sub-Fund, the New Class or the New Category determined on the relevant Valuation Day, plus any taxes, commissions or other fees.

In exceptional circumstances, the Board of Directors may apply a conversion charge not exceeding 1% of the Net Asset Value per Share of the Class of the Original Sub-Fund or of the Class to which the Original Category belongs, as the case may be, to be converted, for the benefit of the Original Sub-Fund, of the Original Class or of the Sub-Fund to which the Original Category belongs, as the case may be. This charge shall be automatically deducted when the number of Shares in the New Sub-Fund, in the New Class or in the New Category, as applicable, is calculated. The conversion charge will be paid into the relevant Sub-Fund Class or Category. The percentage of the conversion charge will be equal for all investors converting shares of a Sub-Fund on the same Valuation Day.

Following such conversion of Shares, the Company will inform the Shareholder in question via Contract Note of the number of Shares of the New Sub-Fund, of the New Class or of the New Category obtained by conversion and the price thereof. Fractions of Shares in the New Sub-Fund, in the New Class or in the New Category rounded off to two (2) decimal places will be issued, the Company being entitled to receive the adjustment.

## **Procedures for Redemptions and Conversions Representing 10% or more of any Sub-Fund**

If any application for redemption or conversion is received in respect of any one Valuation Day, which either singly or when aggregated with other such applications so received, represents more than 10% of the net assets of any one Sub-Fund, the Company reserves the right, at its sole and absolute discretion and without liability (and in the reasonable opinion of the Board Directors that to do so is in the best interests of the remaining Shareholders), to scale down *pro rata* each application with respect to such Valuation Day so that not more than 10% of the net assets of the relevant Sub-Fund be redeemed or converted on such Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

## Company Charges

### *Investment Management Fee*

The Investment Manager is entitled, for its services rendered or to be rendered to the Company and the Management Company in accordance with the investment management agreement, to a fee calculated on the basis of the Net Asset Value of the relevant Sub-Fund and payable monthly in arrears (the "**Investment Management Fee**"). The Investment Management Fee will be accrued on each Valuation Day. The percentage amount may vary between Sub-Funds and between Classes.

Any sub-manager appointed by the Investment Manager will be remunerated out of the Investment Management Fee.

The Investment Manager can rebate a portion of the Investment Management Fee to financial intermediaries through which Shares of the Sub-Funds are offered as incentives to support sales of the relevant Sub-Fund.

The percentage amount of the Investment Management Fee for each Sub-Fund is set out in Appendix D.

### *Depositary, Central Administration, Principal Paying Agent, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent Fees*

The Depositary, the Central Administration, Principal Paying Agent, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent are entitled to receive fees out of the assets of each Sub-Fund, pursuant to the relevant agreement between each of them and the Company and in accordance with usual market practice in Luxembourg.

The fees payable to the Central Administration, Principal Paying Agent, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent are at such rates and/or amounts as may be agreed from time to time with the Company in accordance with customary banking practice in Luxembourg. The maximum fee payable to the Depositary is 0.35% *per annum* and to the Central Administration is 0.06% *per annum* (exclusive of specific fees payable for the processing of multiple Share Classes and applicable value added tax), in each case based on the Net Asset Value of the relevant Sub-Fund, unless the Net Asset Value of the Sub-Fund falls below certain levels in which case agreed minimums, as disclosed in Appendix D, will apply. In addition, the Depositary, the Central Administration, Principal Paying Agent, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent, as the case may be, are entitled to a charge per transaction or a flat fee for certain services or products (as further specified in Appendix D and/or as disclosed in the relevant agreement). These agents are entitled to reimbursements by the Company for their reasonable and documented out-of-pocket expenses and disbursements and for charges of any correspondents.

The Depositary, Central Administration, Principal Paying Agent, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent fees are calculated and accrued on each Valuation Day and are payable monthly in arrears by the Company on behalf of the Sub-Funds.

### *Other Company Charges*

The Management Company is entitled to receive fees of up to **0.08% of the respective Sub-Fund's Net Asset Value per annum (per Sub-Fund)**.

Charges, which are levied directly against the Company with respect to each Sub-Fund, include:

- All taxes levied on the assets and the income of the Company (in particular, but not limited to, the "*taxe d'abonnement*" and any stamp duties payable);

- Fees and expenses involved in registering (and maintaining the registration of) the Company (and/or each Sub-Fund) with governmental agencies or stock exchanges to permit the sale of, or dealing in, the material for use in any particular jurisdiction;
- All taxes and duties levied by the government authorities and stock exchanges;
- Costs of extraordinary measures carried out in the interests of Shareholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings);
- Insurance costs and interest, which shall be borne by the Company;
- Costs of incorporation and subsequent amendments to the statutes of the Company;
- As applicable, out of pocket expenses of the Management Company, Investment Manager, the Depositary, any correspondents (clearing system or bank) of the Depositary to whom custody of the assets of the Company is entrusted, Central Administration and any other agents of the Company as well as the sales agent(s) as provided in their respective agreements with the Company;
- Costs of legal counsel and of auditing the Company's annual accounts;
- Advertising costs;
- Cost of printing, translating (where necessary), publishing and distributing the Semi-Annual Report and accounts, the Annual Report and accounts, the Prospectus and KIIDs and of publishing prices in the financial press;
- Costs of holding the Shareholders' meetings and the meetings of the Board of Directors;
- Fees (if any) of the Directors and/or other officers and reimbursement to all Directors and Managers and/or other officers of their reasonable insurance coverage, travelling, hotel and other incidental expenses of attending and returning from meetings of the Board of Directors, or of committees thereof, or general meetings of the Shareholders of the Company;
- Arrangements with financial intermediaries to help offset their costs associated with client account maintenance, statement preparation and transaction processing. The types of payments under this category may include payment of networking fees, or one time payments for ancillary services such as setting up a Sub-Fund on a Financial Intermediary's trading system;
- Any other operating expenses including financial, bank or brokerage charges or commissions incurred when buying or selling assets or otherwise; and
- All other administrative expenses.

The allocation of costs and expenses to be borne by the Company will be made *pro rata* to the net assets of each Sub-Fund or on a per Sub-Fund basis or some combination of the two methods in accordance with the articles of incorporation of the Company.

The formation and preliminary expenses of a new Sub-Fund will be at the exclusive charge of such new Sub-Fund. All such formation and preliminary expenses will be amortized in the new Sub-Fund over a 5 year period and any costs not fully amortized over this period will be met by the Investment Manager. The formation and preliminary expenses of the Company non-amortized at the launching of the new Sub-Fund will remain with the existing Sub-Funds.

## **Late Trading and Market Timing**

### ***Late Trading***

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which shares will be bought or sold (exclusive of any sales charges). Subscription applications have to be received and will be accepted only in accordance with the provisions of the section headed "*Subscription for Shares*." Late trading is illegal as it violates the provisions of this Prospectus.

### ***Market Timing***

"*Market Timing*" means an arbitrage method through which an investor systematically subscribes and redeems or converts Shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Values of the Sub-Funds.

Opportunities arise for the market timer either if the Net Asset Values of the Sub-Funds are calculated on the basis of market prices that are no longer up to date (stale prices) or if the Company is already calculating the Net Asset Values of the Sub-Funds when it is still possible to issue orders. Market Timing may in certain circumstances lead to a dilution in the value of Shareholders' holdings in a Sub-Fund.

Market timing practices are not acceptable as they may affect the performance of the Company through an increase of its costs and/or a dilution in the Net Asset Value. Activities that may adversely affect the interests of the Shareholders, such as market timing or the use of the Company as an excessive or short term trading vehicle, are not permitted.

The Company will monitor Shareholders' trading activity and reserves the right to suspend, cancel or reject any subscriptions and/or conversion instructions if it knows, or has reasons to believe that a Shareholder is engaging in Market Timing practices.

## **Taxation**

The following section is a short summary of certain important taxation principles that may be or become relevant with respect to the Shares. The section does not purport to be a complete summary of tax law and practice currently applicable in any of the jurisdictions mentioned in the Prospectus. The general information set forth below is based on law and administrative practice currently applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and may be subject to modification thereof.

Prospective investors are advised to consult their own professional tax advisers in respect of their investment in the Company.

### ***The Company***

At the date of this Prospectus, no capital duty (*droit d'apport*) is due upon the incorporation of the Company. However, a fixed registration duty of EUR 75.- has been introduced and has to be paid upon incorporation and upon subsequent amendments (if any) to the articles of incorporation of the Company.

Under present Luxembourg law and administrative practice, neither a Luxembourg SICAV nor any of its sub-funds is liable for any Luxembourg corporate income tax ("CIT"), municipal business tax ("MBT"), and net wealth tax ("NWT"). The Company (or each of its Sub-Funds) is however liable in Luxembourg to a subscription tax payable on its total net assets at a rate of 0.05% *per annum*. Such tax is payable quarterly on the basis of the value of the aggregate assets of the Company (or its Sub-Fund) at the end of the relevant calendar quarter.

However, provided the conditions in Article 174 of the UCI Law are fulfilled, this rate may be reduced to 0.01% (i) for individual compartments of UCIs with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments to one or more Institutional Investors (ii) undertakings having the exclusive object to invest in deposits with credit institutions or (iii) undertakings having the exclusive object to invest in money market instruments and the placing of deposit with credit institutions as defined by the Grand Ducal Decree of 14 April 2003.

The value of the assets of a Sub-Fund represented by units/shares held in other funds is exempt from subscription tax provided such units/shares have already been subject to the subscription tax. No other stamp duty or other tax is payable in Luxembourg on the issue of shares by the Company.

Moreover, Article 175 of the UCI Law provides for an exemption of the subscription tax. For instance, the Company would benefit from the annual tax exemption if (i) its securities are listed or dealt with on at least one stock exchange or other regulated market operating regularly and recognized and open to the public, and (ii) provided that its exclusive object is to replicate the performance of one or more indices. If several classes of securities exist within the Company or its Sub-Funds, the exemption only applies to classes satisfying condition of (i).

Dividends and interest, if any, received by the Company or any of its Sub-Funds from investments may be subject to taxes and/or withholding taxes in the countries concerned at varying rates, such (withholding) taxes usually not being recoverable. The Company and its Sub-Funds may be liable to certain other foreign taxes.

### ***Shareholders***

At the date of this Prospectus, Shareholders are not subject to any taxation on capital gains, taxation on income, transfer tax or withholding tax in Luxembourg. Shareholders are also not subject to taxation on the holding, sale, purchase or repurchase of Shares in the Company (except with respect to Luxembourg gift tax, in the event that a gift is made pursuant to a notarial deed signed before a Luxembourg notary or registered in Luxembourg and except for Shareholders domiciled, resident or having a permanent establishment, a permanent representative or a fixed base of business in Luxembourg), subject to the application of FATCA (see the below section).

The information set forth above is based on present law and administrative practice and may be subject to modification.

Prospective investors should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation, foreign exchange controls and being prohibited persons) applicable to the subscription, purchase, holding, and redemption of shares in the country of their citizenship, residence or domicile, and of the current tax status of the Company in Luxembourg.

### ***Common Reporting Standard (“CRS”)***

The CRS was developed by the Organisation for Economic Co-operation and Development as a new global standard for the annual automatic exchange of financial information between tax authorities. Luxembourg is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016. The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. The regulation may impose obligations on the Company and its Shareholders, if the Company is actually regarded as a reporting Financial Institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the Shareholders), tax identification number and CRS classification of Shareholders in order to fulfill its own legal obligations from 1 January 2016.

Each prospective investor and each Shareholder should consult its own tax advisors regarding the requirements under CRS with respect to its own situation as well as the determination of its tax residence.

Each Shareholder and each transferee of a Shareholder's interest in any Fund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "**Designated Third Party**"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Shareholder (or the Shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in complying with the relevant CRS requirements. In case of a new subscription/transfer, the Management Company, or any Designated Third Party, may request a self-certification form issued by the investor in order to accept the said new subscription/transfer.

As mentioned above, self-certification forms would need to be provided by some of the Shareholders. In this respect, the self-certification forms can be provided in any form but in order for it to be valid it must be (i) signed by the relevant Shareholder itself (where an individual) or a person authorized to sign on behalf of the Shareholder (where an entity), (ii) dated and (iii) include:

- i. where the Shareholder is an individual: the Shareholder's name, residence address, jurisdiction(s) of residence for tax purposes, tax identification number(s) and date of birth; or
- ii. where the Shareholder is an entity: the Shareholder's name, address, jurisdiction(s) of residence for tax purposes and tax identification number(s).

Concurrently, if a Shareholder is regarded as a Passive Non-Financial Entity under the CRS, separate individual self-certification forms would be needed for each of its controlling persons.

In this respect, the term "controlling person" corresponds to the term "beneficial owner" as elaborated under recommendation 10 of the Financial Action Task Force recommendations dated February 2012 (the "**Recommendation**") and translated accordingly into Luxembourg AML regulation dated 12 November 2004, as amended. According to the Recommendation, a controlling ownership interest depends on the ownership structure of the entity. It may be based on a threshold, e.g. any person owning more than a certain percentage of the company (e.g. 25%). In case of a legal person/partnership (and equivalent arrangement), may be regarded as the controlling person any natural person who exercises control through direct or indirect ownership of the capital or profits of the legal person/partnership (and equivalent arrangement), voting rights in the legal person/partnership (and equivalent arrangement). If there are no natural person(s) who exercise control of the entity by ownership or other means, then the controlling person will be the natural person(s) who otherwise exercises control over the management of the entity (e.g. the senior managing official of the entity). In case of a trust (and equivalent), the term "controlling person" is explicitly defined to mean the settler(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust (or equivalent).

The Management Company or the Designated Third Party may disclose information regarding any Shareholder (including any information provided by the Shareholder pursuant to this section) to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Company to comply with any applicable law or regulation or agreement with a governmental authority.

## Certain Regulatory and Tax Matters

### *Remuneration Policy*

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 or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (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 Company or the Sub-Funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm).

A paper copy of the summarised Remuneration Policy is available free of charge to Shareholders upon request.

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

In particular, the Remuneration Policy will ensure that:

- the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- 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;
- the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- in the context of delegation of the investment management activities, the Remuneration Policy of the Management Company will seek to ensure, as required by regulatory requirements and if applicable to the respective Delegate, taking into account the application of the proportionality principle, that:
  - the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
  - if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the Delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked

instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (b); and

- a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

### ***Foreign Account Tax Compliance***

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "FATCA") generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("**Withholdable Payments**") and (ii) a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("**Passthru Payments**"). As a general matter, the new rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "**IRS**"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership. The new withholding rules are being phased in beginning 1 July 2014.

Generally, the rules will subject all Withholdable Payments and Passthru Payments received by the Company to 30% withholding tax (including the share that is allocable to Non-US Investors) unless the Company enters into an agreement (a "**FFI Agreement**") with the IRS to provide information, representations and waivers of non-US law (including any waivers relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or "**IGA**") between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA. Provided the Company adheres to any applicable terms of the IGA, the Company will not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA. Additionally, the Company will not have to enter into an FFI agreement with the IRS and instead will be required to obtain information regarding its Shareholders and to report such information to the Luxembourg government, which, in turn, will report such information to the IRS.

Any tax caused by an Investor's failure to comply with FATCA will be borne by such Investor.

Each prospective Investor and each Shareholder should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

Each Shareholder and each transferee of a Shareholder's interest in any Sub-Fund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "**Designated Third Party**"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Shareholder (or the Shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Company, amounts paid to the Company, or amounts allocable or distributable by the Company to such Shareholder or transferee. In the event that any Shareholder or transferee of a Shareholder's interest fails to furnish such information, representations,

waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the Shareholder's or transferee's interest in any Sub-Fund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such Shareholder's or transferee's interest in any Sub-Fund or interest in such Sub-Fund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the Shareholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Shareholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Shareholder, if the Shareholder fails to do so.

The Management Company or the Designated Third Party may disclose information regarding any Shareholder (including any information provided by the Shareholder pursuant to this section) to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Company to comply with any applicable law or regulation or agreement with a governmental authority.

By subscribing for Shares, each Shareholder irrevocably waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information it provides (or has provided) to the Management Company or the Designated Third Party has been given such information, and has given such consent, as may be necessary to permit the collection, processing, disclosure, transfer and reporting of their information as set out in this section and this paragraph.

The Management Company or the Designated Third Party may enter into agreements on behalf of the Company with any applicable taxing authority (including any agreement entered into pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement) to the extent it determines such an agreement is in the best interest of the Company or any Shareholder.

## **General Information**

### ***The Company***

The Company has been incorporated on 3 August 2009 under Luxembourg law as a SICAV with an initial share capital of thirty one thousand Euro (EUR 31,000.-). The amount of the share capital of the Company will at all times be equal to its Net Asset Value, and may not become less than the corresponding monetary amount in USD to one million two hundred and fifty thousand Euros (EUR 1,250,000.-).

The Company's articles of incorporation have been deposited with the Luxembourg Trade and Companies Register and have been published in the *Mémorial* number 1,709 of 4 September 2009 on page 81,988. The Company is registered with the Luxembourg Trade and Companies Register under the number B 147.807.

The Company's articles of incorporation may be amended from time to time by a meeting of Shareholders, subject to the quorum and majority requirements provided by Luxembourg law. Any amendment thereto shall be published in the *Mémorial*, in a Luxembourg daily newspaper and, if necessary, in the official publications specified for the respective countries in which Shares are publicly distributed. Such amendments become legally binding on all Shareholders, following their approval by the general meeting of Shareholders.

Any amendments affecting the rights of the holders of Shares of any Class and/or Category *vis-à-vis* those of any other Class and/or Category shall be subject further to the said quorum and majority requirements in respect of each relevant Class and/or Category.

The Company is one single entity; however, the right of investors and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund is limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the Shareholders relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In relation to the respective relationships between the Company's Shareholders, each Sub-Fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-Fund will be charged to the different Sub-Funds on a basis judged by the Board of Directors to be fairest to Shareholders. With due regard to materiality, this will generally be either *pro rata* to the net assets of the Sub-Funds or on a per Sub-Fund basis or some combination of the two methods, as appropriate due to the amounts considered.

## ***Management and Administration***

### **The Board of Directors**

The Board of Directors is responsible for the information contained in this Prospectus. It has taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly.

The Board of Directors is responsible for the Company's management, control, administration and the determination of its overall investment objectives and policies.

Directors may not bind the Company by their individual signature, except as specifically permitted by resolution of the Board of Directors. The Board of Directors can deliberate or act validly only if at least fifty per cent of the directors are present or represented at such meeting. Decisions shall be taken by a majority of the votes of the directors present or represented at such meeting. The chairman shall have the casting vote.

### **The Management Company**

The Company has appointed by a Fund Management Company Agreement dated 6 August 2009, Lemanik Asset Management S.A., a "*société anonyme*" incorporated on 1 September 1993 and existing under the laws of the Grand Duchy of Luxembourg, and registered in the Luxembourg register of trade and companies under the number B 44.870 as its management company in accordance with the provisions of the UCI Law. The Management Company has its registered office at 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

The Management Company is approved as management company in accordance with chapter 15 of the UCI Law. The Management Company has a subscribed and paid-up capital of € 2,000,000.-.

As of the date of the present Prospectus, Lemanik Asset Management S.A. has also been appointed to act as management company for other funds and can be appointed in the future to act as management company for other funds. The names of these other funds are available upon request.

As of the date of the Prospectus, the Management Company's Board of Directors consists of the following members:

- Gianluigi Sagramoso;
- Carlo Sagramoso; and
- Philippe Meloni.

Philippe Meloni, Marco Sagramoso, Jean Philippe Claessens, and Alexandre Dumont have been appointed as conducting persons, as referred to in articles 102 of the UCI Law and CSSF Circular 03/108.

The Management Company is, according to the Management Company Services Agreement, appointed to serve as the Company's designated management company. The Management Company shall in particular be responsible for the following duties:

- portfolio management of the Sub-funds;
- central administration, including *inter alia*, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of Shares and the general administration of the Company; and
- distribution and marketing of the Shares; in this respect the Management Company may, with the consent of the Company, appoint other distributors/nominees.

The rights and duties of the Management Company are governed by the UCI Law and the Management Company Services Agreement entered into for an unlimited period of time.

In accordance with applicable laws and regulations and with the prior consent of the Board of Directors, the Management Company is empowered to delegate, under its responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It being understood that the Prospectus shall, the case being, be amended accordingly.

In respect of all Sub-Funds, the Management Company has delegated the investment management of the Sub-Funds' assets and the distribution of the Shares to International Value Advisers, LLC, New York.

The Management Company has delegated the administration functions to State Street Bank Luxembourg S.C.A.

#### **The Investment Manager, Sub-Investment Manager(s) and Global Distributor**

Pursuant to an investment management agreement dated 6 August 2009, with the prior approval of the Company, the Management Company has appointed International Value Advisers, LLC, 717 Fifth Avenue, New York, NY 10022 as Investment Manager to manage the assets of the Sub-Funds.

The Investment Manager is an investment manager established to perform all management tasks in relation to investment funds. The Investment Manager has been approved by the United States Securities and Exchange Commission as an investment adviser under section 203 (c) of the Investment Advisers Act of 1940 on 22 January 2008.

Pursuant to the investment management agreement mentioned above, the Management Company has expressly delegated to the Investment Manager the discretion, on a daily basis but subject to the overall control and responsibility of the Management Company, to purchase and sell securities as agent for the Company and otherwise to manage the portfolios of the Sub-Funds for the account and in the name of the Company in relation to specific transactions.

The aforementioned investment manager agreement gives the Investment Manager the right to appoint, under its responsibility and control, and with the consent of the Company and the Management Company, at its own cost and in relation to certain Sub-Funds of the Company, sub-investment manager(s), in order to benefit from their expertise and experience in particular markets and the Prospectus will be adapted accordingly. The Investment Manager's liability shall not be affected by the fact that it has delegated its functions and duties to sub-investment manager(s).

Pursuant to a global distribution agreement dated 6 August 2009, the Management Company has appointed International Value Advisers, LLC, as Global Distributor for the purpose of marketing, distributing and promoting the Shares of the Sub-Funds. Pursuant to the global distribution agreement, the Global Distributor may act as a nominee, or appoint any sub-distributor who may act as a nominee, for its clients.

### **The Depositary and Paying Agent**

The Company has appointed State Street Bank Luxembourg S.C.A. as the Company's depositary bank (the "**Depositary**"). The Depositary will also provide paying agent services to the Company.

The Depositary is a bank incorporated as a *société en commandite par actions* under the laws of Luxembourg, with its registered office at 49, Avenue J.-F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. On 22 March 2016, its paid up capital and reserves amounted to EUR 65,001,137.50.

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the articles of incorporation of the Company;
- ensuring that the value of the Shares is calculated in accordance with applicable law and the articles of incorporation of the Company;
- carrying out the instructions of the Company unless they conflict with applicable law and the articles of incorporation of the Company;
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits;
- ensuring that the income of the Company is applied in accordance with applicable law and the articles of incorporation of the Company;
- monitoring of the Company's cash and cash flows;
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company and/or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in

actual or potential conflicts. Conflicts of interest arise where the Depository or its affiliates engage in activities under the depository agreement or under separate contractual or other arrangements. Such activities may include:

- i. providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- ii. engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depository or its affiliates:

- i. will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- ii. may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- iii. may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- iv. may provide the same or similar services to other clients including competitors of the Company;
- v. may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee. The Management Company may also be a client or counterparty of the Depository or its affiliates.

Potential conflicts that may arise in the Depository's use of sub-custodians include four broad categories:

- i. conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- ii. sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- iii. sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- iv. sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients."

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Sub-Fund without undue delay. The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive. In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Sub-Fund provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders. The Depositary will be liable to the Sub-Fund for all other losses suffered by the Sub-Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive. The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

### **The Central Administration**

Pursuant to an administration agency, paying agency, registrar and transfer agency and listing agency agreement dated 6 August 2009 (the "**Administration Agreement**"), with the prior approval of the Company, the Management Company has appointed State Street Bank Luxembourg S.C.A. as its administration agent, Paying Agent, Registrar and Transfer Agent as well as listing agent.

Where the aforementioned functions cover central administration duties State Street Bank Luxembourg S.C.A. is responsible for, *inter alia*, the determination of the Net Asset Value per Share of each Class of each Sub-Fund on each Valuation Day in accordance with Appendix C, the proper book-keeping of the Company, the maintenance of the Share register and transfer agency services.

The Administration Agreement may be terminated by either party upon three (3) months written prior notice, such notice not to be effective before the end of the initial term of the Administration Agreement (which shall be understood as a one-year period from the service commencement date). Moreover, the Administration Agreement can be terminated immediately in certain circumstances.

According to the Administration Agreement State Street Bank Luxembourg S.C.A., may delegate some or all of its tasks under the Administration Agreement to an agent or agents, whereby the liability of State Street Bank Luxembourg S.C.A. shall in no case be affected by such delegation. In particular, State Street Bank Luxembourg S.C.A. as Registrar and Transfer Agent has sub-delegated the Registrar and Transfer Agent to International Financial Data Services (Luxembourg) S.A. ("**IFDS**"). In order to service shareholders from the North American

time zones and always under the ultimate supervision of the Registrar and Transfer Agent, IFDS has delegated to International Financial Data Services (Canada) Limited (IFDSC) who may receive and enter into the registrar and transfer agent system subscription, redemption, and conversion orders and provide shareholder enquiry support.

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

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

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

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

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

The issue of new Shares by the Company shall cease on the date of publication of the notice of the general meeting of Shareholders, to which the dissolution and liquidation of the Company shall be proposed.

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

### **Termination of a Sub-Fund, Class or Category**

In the event that for any reason the value of the net assets of any Sub-Fund, Class and/or Category has decreased to, or has not reached, an amount determined by the Board of Directors from time to time to be the minimum level for such Sub-Fund, Class and/or Category to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation relating to such Sub-Fund, Class and/or Category would have material adverse consequences on the Investments of that Sub-Fund, Class and/or Category, or as a matter of economic rationalization, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Sub-Fund, Class and/or Category at their Net Asset Value per Share (taking into account actual realization prices of Investments and realization expenses) as calculated on the Valuation Day at which such decision shall take effect.

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

Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders of the Sub-Fund, Class and/or Category concerned, the Shareholders concerned may continue to request redemption of

their Shares free of charge (but taking into account actual realization prices of Investments and realization expenses) prior to the date effective for the compulsory redemption.

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

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

At the close of the liquidation of the Company, the proceeds thereof corresponding to Shares not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has lapsed. As far as the liquidation of any Class and/or Sub-Fund is concerned, the proceeds thereof corresponding to Shares not surrendered for repayment at the close of liquidation must be deposited in safe custody with the Luxembourg *Caisse de Consignation* within nine (9) months as from the date of the decision to liquidate. In case this is not possible within this delay, an authorization for the extension of the deadline must be requested from the CSSF.

All redeemed Shares shall be cancelled by the Company.

#### **Amalgamation, Division or Transfer of Sub-Funds, Classes or Categories**

Under the same circumstances as provided above in the section "Termination of a Sub-Fund, Class or Category" of this Prospectus, the Board of Directors may decide to allocate the assets of any Sub-Fund, Class and/or Category to those of another existing Sub-Fund, Class and/or Category within the Company or to another Luxembourg UCI organized under the provisions of Part I of the UCI Law or to another Sub-Fund, Class and/or Category within such UCI and to redesignate the Shares of the relevant Sub-Fund, Class and/or Category as Shares of another Sub-Fund, class and/or category (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

Under the same circumstances as provided above in the section "Termination of a Sub-Fund, Class or Category" of this Prospectus, the Board of Directors may decide to reorganize a Sub-Fund, Class and/or Category by means of a division into two or more Sub-Funds, Classes and/or Categories.

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

A contribution of the assets and of the liabilities distributable to any Sub-Fund, Class and/or Category to another UCI referred to above or to another Sub-Fund, Class and/or category within such other UCI shall, require a resolution of the Shareholders of the Sub-Fund, Class and/or Category concerned, taken with fifty (50) percent quorum requirement of the Shares in issue and adopted at two thirds majority of the Shares present or represented at such meeting.

Any of the above decisions by the Board of Directors of the relevant general meeting of Shareholders will be published in the same manner as described above under the section entitled "*Termination of a Sub-Fund Class or Category*" (and, in addition, the publication will contain information about the two or more new Sub-Funds,

Classes or Categories) one (1) month before the date on which the division or amalgamation becomes effective in order to enable the Shareholders concerned to request redemption or conversion of their Shares free of charge during such period, the resolutions will be binding on all Shareholders, except when such an amalgamation is to be implemented with a Luxembourg UCI of the contractual type (*fonds commun de placement*) or a foreign based UCI, in which case resolutions shall be binding only upon such Shareholders who will have voted in favor of such amalgamation.

Any request for subscription shall be suspended as from the moment of the announcement of the amalgamation, the division or the transfer of the relevant Sub-Fund, Class or Category.

### ***General Meetings and Deliberations of the Board of Directors***

The annual general meeting of Shareholders shall be held at the registered office of the Company or at such other place in Grand Duchy of Luxembourg on the second Tuesday of October (unless such date falls on a legal bank holiday, in which case on the next Luxembourg Business Day) at 2:00 p.m. (Luxembourg time).

Shareholders of any Sub-Fund, Class or Category may hold, at any time, general meetings to decide on any matters that relate exclusively to such Sub-Fund, Class or Category.

Notices of all general meetings are sent by mail to all the registered Shareholders at their registered address at least eight (8) calendar days prior to each such meeting. To the extent required by Luxembourg laws, notices of all general meetings will be published in the *Memorial* and in a Luxembourg newspaper. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in the *Mémorial* and in one Luxembourg newspaper.

### ***Annual and Semi-Annual Reports and Consolidated Currency of the Company***

The Audited Annual Reports and un-audited Semi-Annual Reports will be made available for public inspection at each of the registered offices of the Company and the Central Administration, and the latest Annual Report shall be available at least fifteen (15) days before the annual general meeting. Un-audited Semi-Annual Reports will be published within two (2) months after the end of the relevant period.

The Company's Financial Year ends on 30 June of each year. The consolidated currency of the Company is USD.

### ***Documents Available for Inspection***

Copies of the following documents may be delivered without cost to interested investors at their request and may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the registered office of the Company:

- a) the Prospectus;
- b) the KIIDs;
- c) the articles of incorporation of the Company;
- d) the un-audited Semi-Annual Report and audited Annual Report
- e) the contract concluded between the Management Company and the Company;
- f) the contract concluded between the Depositary and Paying Agent and the Company;

- g) the contract concluded between the Central Administration, the Company and the Management Company;
- h) the contract concluded between the Investment Manager, the Company and the Management Company;
- i) the contract concluded between the Global Distributor, the Company and the Management Company; and
- j) the contracts concluded between the Investment Manager and the Sub-Investment Managers (if applicable).

The KIID shall be made available to investors in electronic form on the following website: [www.ivafunds.com](http://www.ivafunds.com).

### ***Dividend Policy***

Each year the annual general meeting of Shareholders will decide, based on a proposal from the Board of Directors, on the use of the Company's net income for each Class and/or Category of every Sub-Fund providing for distribution of dividends (if any).

Along with the above-mentioned distributions, the Board of Directors may decide to pay interim dividends in the form and under the conditions as provided by Luxembourg law.

Part or all of the net income and realized and un-realized capital gains may be distributed provided that after the distribution the net assets of the Company equal or are above the minimum legal net assets which are currently set at the corresponding monetary amount in USD to one million two hundred and fifty thousand euro (EUR 1,250,000.-).

Distributions (if any) will be made in cash. However, the Board is authorized to make in-kind distributions/payments of securities of portfolio companies or of shares of the Company with the consent of the relevant Shareholder(s). Any such distributions/payments in kind will be valued in a report established by an Auditor qualifying as a *réviseur d'entreprises agréé* drawn up in accordance with the requirements of Luxembourg law. The costs of the report will be borne by the relevant investor. For further details regarding the distribution policy applicable to each Class, reference is made to the Appendices. In case of distribution in kind, the Company will at any time be able to comply with the risk diversification rules and to satisfy the redemption requests from its Shareholders.

Dividends will be declared in the relevant Reference Currency.

Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Class or Category.

The part of the year's net income corresponding to accumulation Categories will be capitalized in the relevant Sub-Fund for the benefit of the accumulation Category.

### ***Shareholder Information***

Investors should be aware that personal information may be disclosed (i) to the Company and the Management Company and any of their affiliates, agents and service providers (including the Data Processing Agent), which may be based in countries where privacy laws do not exist or provide less protection than the laws in the EU; or (ii) when required by applicable law or regulation.

By investing in a Sub-Fund, each investor appoints the Company, the Management Company or any of its affiliates, agents or service providers (including the Data Processing Agent) as attorney-in-fact to request and collect from the Registrar and Transfer Agent or its appointed agent(s) all necessary shareholder information.

## ***Processing of Personal Data***

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Company and the Management Company collect, record, store and process any Investor and Shareholder data provided, either electronically or by other means, for the purposes of providing the services subscribed by the Investors and the Shareholders and discharging their statutory obligations.

The data processed includes in particular, but is not limited to, the name, address and the amount invested by each individual Investor and Shareholder (the "**Personal Data**").

The purposes for which Personal Data supplied by the Investors and the Shareholders are processed include, among others, (i) the accounting and administration of the fees of the service providers, (ii) identification obligations required by the legislation relating to the combating of money laundering and the financing of terrorism, (iii) the maintaining of the Shareholders' register, (iv) the processing of subscription, redemption and conversion orders and (v) the payment of dividends to Shareholders and of targeted services provided to clients.

The Company/Management Company, its service providers and third parties, may share Personal Data with the Fund's data processors (the "**Processors**"), noting that Processors may be located in jurisdictions outside of the European Union ("**Third Countries**") and such Third Countries may or may not afford a comparable level of data protection as provided for under European Law. Third Countries may include, but not be limited to, Canada, India, Poland and the United States of America. Before sharing Personal Data with Processors, the Company/ Management Company, and its services providers will ensure that Processors have policies and processes in place to secure the Personal Data in accordance with, or to the same standard required by the Law. Each Processor is also required to sign the European Data Protection Model contract in accordance with the European Directive 95/46/EC and to operate in accordance therewith.

**By subscribing to the Shares, each investor consents to such processing of its Personal Data. Such consent is formalized in the Subscription Agreement.**

## ***Applicable Law***

The Luxembourg District Court is the exclusive forum for all legal disputes between the Shareholders and the Company. Luxembourg law governs all aspects of the relationship between the Shareholders and the Company. However, in matters concerning the claims of investors from other jurisdictions, the Company can elect to make itself subject to those jurisdictions.

The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## Appendix A – Investment Powers and Restrictions

In order to achieve the Company's investment objectives and policies, the Board of Directors has determined that the following Investment Powers and Restrictions shall apply to all Investments by the Company:

### *Investment Instruments*

- 1) The Company, in each Sub-Fund, may only invest in:
  - (a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market;
  - (b) transferable securities and money market instruments dealt in on another Regulated Market in a EU Member State which operates regularly and is recognized and open to the public;
  - (c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another Regulated Market in a non-EU Member State, which operates regularly and is recognized and open to the public located within any other country of Europe, Asia Oceania, the American continent or Africa;
  - (d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market referred to under paragraphs (a) to (c) above and that such admission is secured within one year of issue;
  - (e) shares or units of UCITS authorized according to the UCITS Directive and/or other undertakings for collective investment ("UCIs", each an "UCI") within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, should they be situated in a EU member state or not, provided that:
    - i. such other UCI is authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
    - ii. the level of guaranteed protection for unit-holders in such other UCI is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
    - iii. the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
    - iv. no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its fund rules or instruments of incorporation, invested in aggregate in units of other UCITS or other UCIs;
  - (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in a non EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in paragraphs (a), (b) and (c); and/or financial derivative instruments dealt in over-the-counter, provided that:
  - i. the underlying consists of instruments covered by paragraphs (a) to (h), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to the investment objectives of its Sub-Funds;
  - ii. the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - iii. the OTC derivatives are subject to reliable and verifiable valuation on each Valuation Day and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Company' s initiative;
- (h) money market instruments other than those dealt in on a Regulated Market and referred to in paragraphs (a) to (c) above, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - i. issued or guaranteed by a central, regional or local authority, a central bank of a EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - ii. issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in paragraphs (a), (b) or (c); or
  - iii. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - iv. issued by other bodies belonging to the categories approved by the CSSF provided that Investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph (h) and provided that the issuer is a company whose capital and reserves amount at least to ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

2) However, the Company:

- (a) may invest up to 10% of the net assets of a Sub-Fund in transferable securities and money market instruments other than those referred to in section 1) above;
- (b) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (c) may not acquire either precious metals or certificates representing them; and
- (d) may hold ancillary liquid assets.

## ***Risk Diversification***

- 1) In accordance with the principle of risk diversification, each Sub-Fund will invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body. Each Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.
- 2) The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction and/or efficient portfolio management transaction may in aggregate not exceed 10% of its assets when the counterparty is a credit institution referred to in section 1) (f) above, or 5% of its assets in any other case.
- 3) Moreover, the total value of the transferable securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- 4) Notwithstanding the limits laid down in sections 1) and 2) above, the Sub-Fund may not combine:
  - i. Investments in transferable securities or money market instruments issued by;
  - ii. deposits made with; and/or
  - iii. exposures arising from OTC derivatives and/or efficient portfolio management transactions undertaken with  
  
a single body in excess of 20% of its assets.
- 5) The following exceptions can be made:
  - (a) The aforementioned limit of 10% can be raised to a maximum of 25% for certain debt securities if they are issued by credit institution whose registered office is situated in an EU Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested, pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issuer. If the Sub-Fund invests more than 5% of its net assets in such debt securities as referred to above and issued by the same issuer, the total value of such Investments may not exceed 80% of the value of the Sub-Fund's net assets.
  - (b) The aforementioned limit of 10% can be raised to a maximum of 35% for transferable securities or money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a non EU Member State or by public international bodies of which one or more EU Member States are members.
  - (c) The transferable securities and money market instruments referred to in exceptions (a) and (b) are not included in the calculation of the limit of 40% laid down in section 3) above.
  - (d) The limits stated under sections 1) to 4) and 5) (a) and (b) above, may not be combined and, accordingly, Investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with sections 1) to 4) and 5) (a) and (b) above, may not, in any event, exceed a total of 35% of the Sub-Fund's net assets.
  - (e) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognized international

accounting rules are regarded as a single body for the purpose of calculating the limits contained in sections 3) to 7).

- (f) Each Sub-Fund may invest in aggregate up to 20% of its assets in transferable securities and money market instruments with the same group.
- (g) Without prejudice to the limits laid down in paragraph 10 below, the limit of 10% laid down in paragraphs 1 to 7 is raised to a maximum of 20% for Investment in equity and or debt securities issued by the same body when the aim of the investment policy of the Company is to replicate the composition of a certain equity or debt securities index which is recognized by the CSSF, on the following basis:
  - the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The Investment up to this limit is only permitted for a single issuer.

- 6) When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.
- 7) The Company may further invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a EU Member State, its local authorities, an OECD member state or public international bodies of which one or more EU Member State(s) is/are member(s), provided that in such event the Sub-Fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.
- 8) Each Sub-Fund has 6 months from its date of authorization to achieve compliance with sections 1) to 9) and 10).
  - (a) Each Sub-Fund may acquire shares or units of UCITS and/or other UCIs referred to under section 1) (e), provided that no more than 20% of its assets are invested in a single UCITS or other UCI.
  - (b) For the purposes of applying this Investment limit, each Sub-Fund of a UCI with multiple Sub-Funds, within the meaning of Article 181 of the UCI Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties.
  - (c) Investments made in shares or units of UCI other than UCITS may not exceed, in aggregate, 30% of the assets of the relevant Sub-Fund.
  - (d) When the Sub-Fund has acquired shares or units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down in sections 1) to 7) (a) to (f).
  - (e) When the Sub-Fund invests in the shares or units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge any management fee nor any

subscription or redemption fees on account of the UCITS' investment in the units of other UCITS and/or other UCI.

9) The Company will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

10) The Company may not acquire more than:

- 10% of non-voting shares of the same issuer;
- 10% of the debt securities issued by the same issuer;
- 10% of the units of the same UCITS and/or other UCI; or
- 10% of the money market instruments of the same issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the securities in issue, cannot be calculated.

11) The limits of sections 9) and 10) above are waived as to:

- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- (d) shares held in the capital of a company incorporated in a non-EU Member State and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Sub-Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with sections 1) to 7) (a) to (f) as well as section 8) above. If the limits stated in sections 1) to 7) (a) to (f) and 8) above are exceeded, the provisions laid down in 15) shall apply *mutatis mutandis*;
- (e) shares held by the Sub-Funds in the capital of one or more Subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the Subsidiary is located, in regard to the repurchase of units at Shareholders' request exclusively on its or their behalf.

12) Any Sub-Fund may not borrow more than 10% of its total net assets, and then only from financial institutions and on a temporary basis. Each Sub-Fund may, however, acquire foreign currency by means of a back to back loan. Each Sub-Fund will not purchase securities while borrowings are outstanding in relation to it, except to fulfill prior commitments and/or exercise subscription rights. However, each Sub-Fund can borrow up to 10% of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15% of the Sub-Funds' net assets.

13) The Company may not grant credits or act as guarantor for third parties. This limitation does not prevent the Company to purchase securities that are not fully paid up, nor to lend securities as further described thereunder. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.

- 14) Each Sub-Fund will not purchase any securities on margin (except that the Sub-Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with option, forward or financial futures contracts, are, however, permitted within the limits provided for here below.

The Board of Directors of the Company is authorized to introduce further investment restrictions at any time in the interests of the Shareholders provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Company's shares are offered and sold. In this event this sales Prospectus will be updated.

- 15) If any of the above limitations are exceeded for reasons beyond the control of the Company and/or each Sub-Fund or as a result of the exercise of subscription rights attaching to transferable securities or money market instruments, the Company and/or each Sub-Fund must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its Shareholders.

## **Appendix B – Special Investment and Hedging Techniques and Instruments**

### ***Financial Derivatives***

The Company may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that:

- 1) The total amount of such transactions does not exceed the level necessary to cover the risks relating to the fluctuation of the value of the assets of the Sub-Fund concerned denominated in a particular currency or any other currency which will be deemed to have a sufficient correlation with that particular currency. The hedging of currency risk may involve the use of cross-currency contracts to alter the currency exposure of the Sub-Fund in case it is more advantageous to the Sub-Fund; and
- 2) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged and the duration of these transactions do not exceed the period for which the respective assets are held.

Currency futures and currency options must either be quoted on an exchange or dealt in on a Regulated Market. The Company may, however, enter into currency forward contracts or swap arrangements with highly rated financial institutions specialized in this type of transaction as approved by the Investment Manager as derivative counterparties.

The Investment Manager maintains a list of authorized derivative counterparties. Derivative transactions can only be undertaken with approved derivative counterparties and these will have appropriate credit ratings that give comfort to the Company that a default is extremely unlikely. For derivative transactions up to two (2) years in duration, a counterparty must have a long term rating of A/A2 or equivalent or better, and collateral arrangements should be in place prior to dealing with these counterparties. For derivative transactions of greater than two (2) years in duration, a counterparty must have a long term rating of AA-/Aa3 or equivalent or better, and collateral arrangements should be in place prior to dealing with these counterparties. Downgrades in ratings of derivative counterparties require a credit assessment to be carried out and, if necessary, an exit strategy to be devised according to market conditions.

Furthermore, each Sub-Fund is notably authorized to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimize yield, i.e., for the purpose of sound portfolio management.

In order to optimize their portfolio yield, all Sub-Funds are authorised to use the derivatives techniques and instruments described in this Appendix (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said Appendix.

The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-Funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. The investor's attention is further drawn to the increased risk of volatility generated by Sub-Funds using these techniques for other purposes than hedging. If the managers and sub-managers forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-Fund may be worse off than if no such strategy had been used.

In using derivatives, each Sub-Fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialized in this area, acting as counterparties. Although the corresponding markets are not necessarily

considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

**Unless otherwise provided in respect of certain Sub-Funds in Appendix D, the Company does not engage in total return swaps covered by the SFT Regulation. In case the use of total return swaps is authorized for a given Sub-Fund, the Company and the Management Company shall comply with the applicable disclosure requirements under the SFT Regulation and the ESMA Guidelines 2014/937 and, where necessary, this Prospectus will be updated accordingly.**

### ***Securities Financing Transactions***

The Company, for the purpose of efficient portfolio management and/or for hedging purposes may engage in Securities Financing Transactions, including but not limited to securities lending transactions, sale with a right of repurchase transactions and/or reverse repurchase transactions/repurchase transactions, subject to complying with the provisions set forth in CSSF Circular 08/356, as amended by the CSSF Circular 11/512, as far as these provisions have not been superseded by the ESMA Guidelines 2014/937 and/or the SFTR Regulation, and any further CSSF Circulars amending or replacing CSSF Circular 08/356, as amended by the CSSF Circular 11/512.

The Company may not, for the purpose of efficient portfolio management and/or for hedging purpose, deviate from its investment targets disclosed in the Prospectus.

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

An entity that is related to the Company's Management Company and/or depositary may act as the principal borrower and counterparty for Securities Financing Transactions. It may engage in activities that might result in conflicts of interests. In such circumstances, such party will use its reasonable endeavors to resolve any such conflicts of interest fairly (having regard to its or his respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. Direct and indirect operational costs may be deducted from the revenues delivered to the Company.

All revenue arising from Securities Financing Transactions, net of direct and indirect operational costs and fees of the Depositary and Investment Manager, shall be returned to the Company for the benefit of the relevant Sub-Fund to be reinvested in accordance with that Sub-Fund's investment policy. Details of the Company's revenues arising and the attendant direct and indirect operating costs and fees from time to time as well as the identity of the entities to which such costs and fees are paid and any relationship they have with the Management Company and/or the Depositary shall be included in the Company's semi-annual and annual reports. The Company on behalf of the Sub-Funds does not engage in fee-sharing arrangements in relation to Securities Financing Transactions with third parties. Fees payable to third parties are being negotiated at market rates.

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

- the exposure obtained through Securities Financing Transactions;
- the identity of the counterparty(ies) to these Securities Financing Transactions;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure; and

- the revenues arising from Securities Financing Transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred.

**Unless otherwise provided in respect of certain Sub-Funds in Appendix D, the Company does not engage in any Securities Financing Transactions covered by the SFT Regulation. In case the use of Securities Financing Transactions is authorized for a given Sub-Fund, the Company and the Management Company shall comply with the applicable disclosure requirements under the SFT Regulation and the ESMA Guidelines 2014/937 and, where necessary, this Prospectus will be updated accordingly.**

### ***Collateral Policy***

Where a Sub-Fund enters into OTC financial derivative and/or Securities Financing Transactions, collateral may be used to reduce counterparty risk exposure subject to the following conditions:

- Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- Issuer credit quality – collateral received should be of high quality.
- Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or Securities Financing Transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer
- Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.

The Sub-Funds will only accept the following assets as collateral:

- Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2009/65/EC. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
- Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.

- iv. Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
- v. Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- vi. Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

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

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

Cash collateral received by a Sub-Fund can only be:

- i. Placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- ii. Invested in high-quality government bonds;
- iii. Used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- iv. Invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.

A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Collateral posted in favor of a Sub-Fund under a title transfer arrangement should be held by the custodians or one of its correspondents or sub-custodian. Collateral posted in favor of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

The guarantee must be at least equal to 90% of the global valuation of the securities concerned.

### ***Haircut Policy***

The Company has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum

transfer amounts, it is the intention of the Company that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

The Company will apply haircuts to the collateral received according to the below table:

<b>Eligible Collateral</b>	<b>Remaining Maturity</b>	<b>Valuation Percentage</b>
Cash	N/A	100%
Government Bonds	One year or under	98%
	More than one year up to and including five years	97%
	More than five years up to and including ten years	95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

In case of unusual market volatility, the Company reserves the right to temporarily increase the haircut it applies to collateral for such period of time and in such measure as justified by the circumstances. As a consequence, the Company will receive more collateral to secure its counterparty exposure. Should that situation persist, this haircut policy will be updated accordingly.

## Appendix C – Net Asset Value

### *Net Asset Value Calculation*

The net assets of the Company are at any time equal to the total of the net assets of the various Sub-Funds.

The Net Asset Value per Share of each Class and Category in each Sub-Fund will be expressed in the Reference Currency of the relevant Class or Category, as the case may be.

Unless otherwise disclosed in Appendix D, the Net Asset Value per Share of each Class and Category in each Sub-Fund is calculated on each day that is a Business Day (each a "**Valuation Day**").

If since the last Valuation Day there has been a material change in the quotations on the markets on which a substantial portion of the Investments attributable to a particular Sub-Fund are dealt or quoted, the Board of Directors may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation prudently and in good faith.

The Net Asset Value per Share of each Class and Category in each Sub-Fund on any Valuation Day is determined by dividing the value of the total assets of that Sub-Fund properly allocable to such Class and Category less the liabilities of such Sub-Fund properly allocable to such Class and Category by the total number of Shares of such Class and Category outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Classes and Categories will differ within each Sub-Fund as a result of the differing fee structure and/or distribution policy for each Class or Category, as the case may be. In determining the Net Asset Value per Share, income and expenditure are treated as accruing on each Valuation Day.

The Company's assets shall include:

1. any cash in hand or on deposit including any outstanding interest, that has not yet been received and any interest accrued on these deposits up until the Valuation Day;
2. all bills and promissory notes payable at sight as well as all accounts receivable (including proceeds from the disposal of securities for which the price has not yet been paid);
3. all transferable securities, money market instruments, units, shares, debt securities, option or subscription rights and other Investments owned by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (i) below with regard to fluctuations in the market value if securities caused by trading ex-dividends, ex-rights or by similar practices);
4. all dividends and distributions receivable by the Company in cash or securities to the extent that the Company is aware thereof;
5. all outstanding interest that has not yet been received and all interest accrued up until the valuation day on securities or other interest bearing assets owned by the Company, unless such interest is included in the principal of the securities;
6. the liquidating value of all futures, forward, call or put options contracts the Company has an open position in;
7. all swap contracts entered into by the Company; and
8. any other assets whatsoever, including prepaid expenses.

The value of these assets will be determined as follows:

- the value of any cash on hand or on deposit;
- bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- equity securities and money market instruments listed on a recognized stock exchange or dealt on any other Regulated Market that operates regularly, is recognized and is open to the public, will be valued at their last available closing price on the principal market on which such securities are traded, as supplied by a pricing service approved by the Board of Directors. Equity securities listed on the NASDAQ Stock Exchange ("NASDAQ") are generally valued using the NASDAQ Official Closing Price. If no sales or closing prices are reported during the day, equity securities are generally valued at the mean of the last available bid and asked quotations on the exchange or Regulated Market on which the security is primarily traded, or using other market information obtained from a pricing service approved by the Board of Directors. If there is only a bid or only an asked price on such date, valuation will be at such bid or asked price for long or short positions, respectively. Over-the-counter equity securities not listed on the NASDAQ are generally valued at the mean of the last available bid and asked quotations on the exchange or market on which the security is primarily traded, or using other market information obtained from a quotation reporting system, established market makers or pricing services approved by the Board of Directors. If there is only a bid or only an asked price on such date, valuation will be at such bid or asked price for long and short positions, respectively;
- debt securities not listed or traded on a stock exchange or not dealt on another Regulated Market will generally be valued at the mean of the last available bid and asked price received from dealers in the over-the-counter market in the United States of America or abroad, except that when no asked price is available, debt securities are valued at the last bid price alone. Short-term investments having a maturity of 60 days or less are generally valued at amortized cost;
- the liquidating value of forward contracts not traded on exchanges or on other Regulated Markets are valued at the current cost of offsetting such contracts. Futures contracts trades on exchanges or other Regulated Markets are generally valued at the settlement price determined by the exchange or other Regulated Market on which the instrument is primarily traded or, if there were no trades that day for a particular instrument, at the mean of the last available bid and asked quotations on the market in which the instrument is primarily traded;
- exchange-traded options are generally valued at the mean of the bid and asked quotations on the exchange at closing. Exchange-traded options also may be valued at their NBBO (national best bid and offer from participant exchanges) reported by the Options Price Reporting Authority. Options contracts not traded on an exchange or on other Regulated Markets are valued at the mean of the bid and asked quotations. If there is only a bid or only an asked price on such date, valuation will be at such bid or asked price for long or short options, respectively;
- the value of swaps shall be determined by applying a recognized and transparent valuation method on a regular basis; and
- all other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

Any assets held in a particular Sub-Fund not expressed in the Reference Currency in which the Shares of such Sub-Fund are denominated will be translated into the Reference Currency at the rate of exchange prevailing in a recognized market at 4:00 p.m. Eastern time (10:00 p.m., Luxembourg time) on the relevant Valuation Day.

The liabilities of the Company shall be deemed to include:

- (i) all loans, bills and accounts payable;
- (ii) all accrued or payable administrative expenses (including the All-inclusive Fees and any other third party fees);
- (iii) all known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- (iv) an appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Company, and other reserves, if any, authorized and approved by the Board of Directors; and
- (v) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares of the Company. In determining the amount of such liabilities, the Company shall take into account all expenses payable and all costs incurred by the Company, which shall comprise the All-inclusive Fees, fees payable to its directors (including all reasonable out-of-pocket expenses), investment advisers (if any), accountants, the administrative agent, corporate agents, domiciliary agents, paying agents, registrars, transfer agents, permanent representatives in places of registration, distributors, trustees, fiduciaries, correspondent banks and any other agent employed by the Company, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of prospectuses, addenda, explanatory memoranda, registration statements, Annual Reports and Semi-Annual Reports, all taxes levied on the assets and the income of the Company (in particular, the "*taxe d'abonnement*" and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of Shareholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, custody fee and customary transaction fees and charges charged by the Depositary or its agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone, facsimile and telex charges. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

### ***Pricing and Fair Valuation Committee***

The Board of Directors has established a Pricing and Fair Valuation Committee (the "**Committee**") comprised of officers of the Investment Manager to which it has delegated the responsibility for overseeing the implementation of the Company's valuation procedures and fair value determinations made on behalf of the Board of Directors. The Committee may determine that market quotations are not readily available due to events relating to a single issuer (e.g. corporate actions or announcements) or events relating to multiple issuers (e.g. governmental actions or natural disasters). The Committee may determine that there has been a significant decrease in the volume and level of activity for an asset or liability whereby transactions or quoted prices may not be determinative of fair value. The Committee may determine the fair value of investments based on

information provided by pricing services and other third parties including broker-dealers and other market intermediaries, which may recommend fair value prices or adjustments with reference to other securities, indices or assets. For securities that do not trade during New York Stock Exchange hours, fair valuation determinations are based on analyses of market movements after the close of those securities' primary markets, and include reviews of developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. Fair value pricing may require subjective determinations about the value of an asset or a liability. Fair values used to determine the Sub-Fund's NAVs may differ from quoted or published prices, or from prices that are used by others, for the same investments. The use of fair value pricing may not always result in adjustments to the prices of securities or other assets and liabilities held by a particular Sub-Fund.

### ***Swing Pricing***

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

The Board of Directors shall decide which Sub-Funds shall apply a swing pricing mechanism. The Board can set a threshold value for each Sub-Fund. In that case, the Net Asset Value on any Business Day will be adjusted only if this threshold is surpassed on that Business Day. The maximum adjustment amount, should the Board of Directors decide to apply a swing pricing mechanism, amounts to 2% of the Net Asset Value of the relevant Sub-Fund.

### ***Temporary Suspension of Determination of Net Asset Value per Share***

The Company may suspend the determination of the Net Asset Value per Share of one or more Sub-Fund(s), Class(es) and/or Category(ies) and the issue, redemption and conversion of its Shares in the following circumstances:

- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the Investments of the Company attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the Investments of the Company attributable to such Sub-Fund quoted thereon;
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable;
- c) during any breakdown in the means of communication normally employed in determining the price or value of any of the Investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of Investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e) when for any other reason the prices of any Investments owned by the Company attributable to such Sub-Fund cannot promptly or accurately be ascertained; or
- f) upon the publication of a notice convening a general meeting of Shareholders for the purpose of winding-up the Company.

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

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the determination of the Net Asset Value per Share.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Board of Directors, as well as in the official publications specified for the respective countries in which Shares are sold. The Luxembourg regulatory authority, and the relevant authorities of any EU Member States in which Shares of the Company are marketed, will be informed of any such suspension. Notice will likewise be given to any subscriber or Shareholder as the case may be applying for subscription, conversion or redemption of Shares in the Sub-Fund(s) concerned.

### ***Publication of Net Asset Value per Share***

The Net Asset Value per Share of each Class and/or Category in any particular Sub-Fund is made public at the registered office of the Company and is available at the offices of the Depositary. After each Valuation Day, the Company will arrange for the publication of the Net Asset Value per Share in each Class and Category on the next Business Day in the relevant Reference Currency and any other currency as determined by the Board of Directors on the following website: [www.ivafunds.com](http://www.ivafunds.com). The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

# Appendix D – Details on each Sub-Fund

## I. IVA Global SICAV I

<b>Name</b>	IVA Global SICAV I
<b>Investment Policy</b>	<p><b>Nature and location of Investments</b></p> <p>(1) The Sub-Fund will invest at least 50% of its net assets in:</p> <ul style="list-style-type: none"> <li>• common shares, preferred shares, convertible securities, bonds, debentures and/or other debt instruments of issuers having their registered office in the Americas, Asia, Europe, Africa and/or Australia. These investments may also be made indirectly in the form of ADRs, GDRs, EDRs issued by credit institutions complying with item 1) f) of Appendix A, and/or other transferable securities;</li> <li>• financial derivative instruments, including cash settled instruments dealt in on a regulated market and/or financial derivative instruments dealt in OTC provided that these financial derivative instruments consist of options, futures and forward foreign currency contracts for hedging and investment purposes.</li> </ul> <p>(2) In addition thereto but only to an amount of up to 49.99% of its net assets, the Sub-Fund may either (i) invest in:</p> <ul style="list-style-type: none"> <li>• cash deposits;</li> <li>• currencies;</li> <li>• warrants on securities, but only up to 5% of its net assets;</li> <li>• swaps (including rate caps, floors and collars), CDS and other derivative instruments, both for hedging and investment purposes;</li> <li>• asset-backed securities, but only up to 20% of its net assets;</li> <li>• mortgage backed securities;</li> <li>• exchange traded notes, auction-rate securities, when-Issued or delayed-delivery Securities (in accordance with Appendix A and article 41 (1) of the UCI Law);</li> <li>• securities issued by other UCITS;</li> <li>• UCIs (i.e. investment funds or trusts) but only up to 30% of its net assets;</li> <li>• short-term debt instruments such as commercial paper, certificates of deposits and/or government obligations issued by the United States of America ("U.S.") and/or non-U.S. countries and their relevant local authorities and/or by public international bodies of which one or more EU Member State(s) is/are (a) member(s);</li> <li>• collateralized debt; and/or</li> <li>• other eligible structured financial instruments in accordance with the Grand-</li> </ul>

	<p>Ducal regulation of 8 February 2008 relating to certain definitions of the UCI Law, the value of which is linked to the price of an underlying eligible instrument and/or</p> <p>(ii) purchase or sell contracts for future delivery of currencies and/or eligible securities.</p> <p>(3) When deemed appropriate by the Investment Manager for short term investment and/or defensive purposes, the Sub-Fund may hold up to 100% of its net assets in short term debt instruments such as commercial paper, certificates of deposits and/or government obligations of OECD countries and their local authorities or by public international bodies of which one or more EU Member State(s) is/are (a) member(s).</p>
<p><b>Eligible Investments</b></p>	<p><b>Investment in Registered Investment Companies listed on a stock exchange</b></p> <p>The Sub-Fund may invest in shares issued by investment companies registered in the Americas, Asia, Europe, Africa and Australia as far as compliant with the Investment Powers and Restrictions detailed in Appendix A. Investments in ETF(ETC)s (as defined below) are not included in this restriction.</p> <p><b>ETF(ETC)s</b></p> <p>The Sub-Fund may invest in ETF(ETC)s which are investment companies or special purpose trusts whose primary objective is to achieve the same rate of return as a particular market index, respectively a particular commodity index, while trading throughout the day on an exchange. In addition, the Sub-Fund may also invest in actively managed exchange traded funds that do not seek to replicate the performance of a specified index. The Sub-Fund will purchase and sell individual shares of ETF(ETC)s in the secondary market. These secondary market transactions require the payment of commissions.</p> <p>Exchange traded commodities (ETCs) will only be eligible for investment to the extent that they comply with the eligibility criteria set out in the UCI Law, including in particular articles 1(34) and 41 thereof, the 2008 Grand-Ducal Regulation, including in particular article 2 thereof, and the 2007 CESR Guidelines as included in the CSSF Circular 08/380.</p> <p>As ETCs are linked to the performance of their underlying assets, an analysis of the ETC will be performed in order to determine whether the ETC contains an embedded derivative within the meaning of articles 2(3) of the 2008 Grand Ducal Regulation and point 23 of the 2007 CESR Guidelines. Where the ETC contains an embedded derivative, the look through principle shall apply, and the ETC shall only be eligible for investment if and to the extent that the underlying assets of the embedded derivative qualify as eligible assets according to article 41 of the UCI Law. If the ETC does not contain an embedded derivative, the look through principle shall not apply.</p> <p>Investments in ETCs will be made with due regard to the principle of risk spreading, applied both at the level of the securities invested in as well as at the level of the underlying commodities. Investments in ETCs may never result in the physical delivery of a commodity.</p> <p><b>Mortgage-Backed Securities</b></p> <p>The Sub-Fund may invest in mortgage-backed securities and derivative mortgage-backed</p>

securities, and may also invest in "principal only" and "interest only" components. Mortgage-backed securities are securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property.

As with other debt securities, mortgage-backed securities are subject to credit risk and interest rate risk. However, the yield and maturity characteristics of mortgage-backed securities differ from traditional debt securities. A major difference is that the principal amount of the obligations may normally be prepaid at any time because the underlying assets generally may be prepaid at any time. The relationship between prepayments and interest rates may give some mortgage-backed securities less potential for growth in value than conventional fixed-income securities with comparable maturities. In addition, in periods of falling interest rates, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by the Sub-Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. If interest rates rise, borrowers may prepay mortgages more slowly than originally expected. This may further reduce the market value of mortgage-backed securities and lengthen their durations. Because of these and other reasons, a mortgage-backed security's total return, maturity and duration may be difficult to predict precisely. Mortgage-backed securities come in different classes that have different risks.

Junior classes of mortgage-backed securities protect the senior class investors against losses on the underlying mortgage loans by taking the first loss if there are liquidations among the underlying loans. Junior classes generally receive principal and interest payments only after all required payments have been made to more senior classes. If the Sub-Fund invests in junior classes of mortgage-related securities, it may not be able to recover all of its investments. In addition, if the underlying mortgage portfolio has been overvalued, or if mortgage values subsequently decline, the Sub-Fund may suffer significant losses.

Investments in mortgage-backed securities, involve the risks of interruptions in the payment of interest and principal (delinquency) and the potential for loss of principal if the property underlying the security is sold as a result of foreclosure on the mortgage (default). These risks include the risks associated with direct ownership of real estate, such as the effects of general and local economic conditions on real estate values, the conditions of specific industry segments, the ability of tenants to make lease payments and the ability of a property to attract and retain tenants, which in turn may be affected by local market conditions such as oversupply of space or a reduction of available space, the ability of the owner to provide adequate maintenance and insurance, energy costs, government regulations with respect to environmental, zoning, rent control and other matters, and real estate and other taxes. If the underlying borrowers cannot pay their mortgage loans, they may default and the lenders may foreclose on the property. Finally, the ability of borrowers to repay mortgage loans underlying mortgage-backed securities will typically depend upon the future availability of financing and the stability of real estate values.

For mortgage loans not guaranteed by a government agency or other party, the only remedy of the lender in the event of a default is to foreclose upon the property. If borrowers are not able or willing to pay the principal balance on the loans, there is a good chance that payments on the related mortgage-related securities will not be made. Certain borrowers on underlying mortgages may become subject to bankruptcy proceedings, in which case the value of the mortgage-backed securities may decline.

**Asset-Backed Securities**

The Sub-Fund may invest in asset-backed securities that, through the use of trusts and special purpose vehicles, are securitized with various types of assets, such as automobile receivables, credit card receivables and home-equity loans in pass-through structures similar to the mortgage-related securities described above. In general, the collateral supporting asset-backed securities is of shorter maturity than the collateral supporting mortgage loans and is less likely to experience substantial prepayments. However, asset-backed securities are not backed by any governmental agency.

**Floating Rate and Inverse Floating Rate**

The Sub-Fund may invest in debt securities with interest payments or maturity values that are not fixed, but float in conjunction with (or inversely to) an underlying price. These securities may be backed by sovereign or corporate issuers, or by collateral such as mortgages. The indices and prices upon which such securities can be based include interest rates, currency rates and commodities prices.

Floating rate securities pay interest according to a coupon which is reset periodically. The reset mechanism may be formula based, or reflect the passing through of floating interest payments on an underlying collateral pool. Inverse floating rate securities are similar to floating rate securities except that their coupon payments vary inversely with an underlying index by use of a formula. Inverse floating rate securities tend to exhibit greater price volatility than other floating rate securities.

Floating rate obligations generally exhibit a low price volatility for a given stated maturity or average life because their coupons adjust with changes in interest rates. Interest rate risk and price volatility on inverse floating rate obligations can be high, especially if leverage is used in the formula.

**Municipal Bonds**

The Sub-Fund may invest in municipal bonds. In the United States, a municipal bond is a bond issued by a state, city or other local government, or their agencies. Potential issuers of municipal bonds include cities, counties, redevelopment agencies, school districts, publicly owned airports and seaports, and any other governmental entity (or group of governments) below the state level. Municipal bonds may be general obligations of the issuer or secured by specified revenues. Interest income received by holders of municipal bonds is often exempt from federal income tax and from the income tax of the state in which they are issued, although municipal bonds issued for certain purposes may not be tax exempt.

**Bank Obligations**

The Sub-Fund may invest in bank obligations, which may include bank certificates of deposit, time deposits or bankers' acceptances.

**Lower-Rated Debt Securities**

The Sub-Fund may invest in debt securities, including lower-rated securities or junk bonds and securities that are not rated. There are no restrictions as to the ratings of debt securities acquired by the Sub-Fund or the portion of the Sub-Fund's assets that may be

invested in debt securities in a particular rating category.

### **Zero-Coupon and Pay-In-Kind (PIK) Securities**

The Sub-Fund may invest in zero coupon and PIK securities. Zero coupon securities are debt securities that pay no cash income but are sold at substantial discounts from their value at maturity. PIK securities pay all or a portion of their interest in the form of additional debt or equity securities. Because such securities do not pay current cash income, the price of these securities can be volatile when interest rates fluctuate. While these securities do not pay current cash income, federal income tax law requires the holders of zero coupon and PIK securities to include in income each year the portion of the original issue discount (or deemed discount) and other non-cash income on such securities accrued during that year.

### **Investment in Relatively New Issuers**

The Sub-Fund intends to invest occasionally in the common stock of selected new issuers. Investments in relatively new issuers, i.e., those having continuous operating histories of less than three years, may carry special risks and may be more speculative because such companies are relatively unseasoned. Such companies may also lack sufficient resources, may be unable to generate internally the funds necessary for growth and may find external financing to be unavailable on favorable terms or even totally unavailable. Those companies will often be involved in the development or marketing of a new product with no established market, which could lead to significant losses. The securities of such issuers may have a limited trading market which may adversely affect their disposition and can result in their being priced lower than might otherwise be the case. If other investors who invest in such issuers trade the same securities when a Sub-Fund attempts to dispose of its holdings, the Sub-Fund may receive lower prices than might otherwise be the case.

### **Futures and Options on Futures**

The Sub-Fund may utilize futures contracts and options on futures. These transactions may be effected on securities exchanges or in the over-the-counter market. The Sub-Fund may enter into futures contracts in U.S. markets or on exchanges located outside the United States of America.

The Sub-Fund intends to segregate liquid assets in connection with its options and futures transactions in an amount generally equal to the value of the underlying. The segregation of these assets will have the effect of limiting the Investment Manager's ability otherwise to invest in those assets.

The Sub-Fund's currency transactions may include transaction hedging and portfolio hedging involving either specific transactions or portfolio positions. Transaction hedging is the purchase or sale of a forward contract (or other cash management position) with respect to specific payables or receivables of the Sub-Fund in connection with the purchase or sale of portfolio securities. Portfolio hedging is the use of a forward contract (or other cash management position) with respect to one or more portfolio security positions denominated or quoted in a particular currency. This may have an impact on the net asset value of each Category referenced in another currency than the currency of the relevant Class.

At the maturity of a forward contract to deliver a particular currency, the Sub-Fund may

either sell the portfolio security related to such contract and make delivery of the currency, or it may retain the security and either acquire the currency on the spot market or terminate its contractual obligation to deliver the currency by purchasing an offsetting contract obligating it to purchase on the same maturity date the same amount of the currency.

#### **When-Issued or Delayed-Delivery Securities**

The securities are typically issued by a newly created company which received part of the business of an already existing company.

The Sub-Fund may purchase these securities on a "when-issued" or "delayed delivery" basis. Although the payment and interest terms of these securities are established at the time the Sub-Fund enters into the commitment, the securities may only be delivered and paid for a month or more after the date of purchase, when their value may have changed.

The Sub-Fund may invest in recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market which operates regularly and is recognized and open to the public, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Sub-Fund; and
- such admission is secured within one year of issue.

#### **Options Transactions**

The Sub-Fund may invest in put and call option transactions involving options on securities and on stock indices that are traded on U.S. and foreign exchanges or in over the counter markets. The Sub-Fund may write "covered" calls and "covered" puts on equity or debt securities and on stock indices in seeking to enhance investment return or to hedge against declines in the prices of portfolio securities or may write "covered" put options to hedge against increases in the prices of securities which it intends to purchase. A call option is "covered" if the Sub-Fund holds, on a share-for-share basis, either the underlying shares or a call on the same security as the call written where the exercise price of the call held is equal to or less than the exercise price of the call written (or greater than the exercise price of the call written if the difference is maintained by the Sub-Fund in cash, U.S. treasury bills or other high grade short-term obligations in segregated accounts with the Depositary). A put option is "covered" if the Sub-Fund maintains cash, U.S. treasury bills or other high grade short-term obligations with a value equal to the exercise price in segregated accounts with the Depositary, or holds on a share-for-share basis a put on the same equity or debt security as the put written where the exercise price of the put held is greater than the exercise price of the put written, or lower than the exercise price of the put written if the difference is maintained in a segregated account with the Depositary.

#### **OTC Derivatives, Options and Futures Transactions**

The Sub-Fund may invest in options, futures, swaps and related products.

The Sub-Fund may enter into interest rate and currency swaps and the purchase or sale of

related caps, floors and collars. The Sub-Fund may enter into these transactions to preserve a return or spread on a particular Investment or portion of its portfolio, to protect against currency fluctuations or to protect against any increase in the price of securities it anticipates purchasing at a later date. Swaps may be used in conjunction with other instruments to offset interest rate, currency or other underlying risks. For example, interest rate swaps may be offset with "caps," "floors" or "collars". A "cap" is essentially a call option which places a limit on the amount of floating rate interest that must be paid on a certain principal amount. A "floor" is essentially a put option which places a limit on the minimum amount that would be paid on a certain principal amount. A "collar" is essentially a combination of a long cap and a short floor where the limits are set at different levels.

The Sub-Fund will usually enter into swaps on a net basis; that is, the two payment streams will be netted out in a cash settlement on the payment date or dates specified in the instrument, with the Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. To the extent obligations created thereby may be deemed to constitute senior securities, the Sub-Fund will maintain required collateral in a segregated account consisting of U.S. government securities or cash or cash equivalents.

#### **Credit default swaps**

The Sub-Fund may enter into CDS agreements for investment purposes. A CDS agreement may have as reference obligations one or more securities that are not currently held by the Sub-Fund. The Sub-Fund may be either the buyer or seller in the transaction. CDS may also be structured based on the debt of a basket of issuers, rather than a single issuer, and may be customized with respect to the default event that triggers purchase or other factors. As a seller, the Sub-Fund generally receives an upfront payment or a fixed rate of income throughout the term of the swap, which typically is between six months and three years, provided that there is no credit event. If a credit event occurs, generally the seller must pay the buyer the full face amount of deliverable obligations of the reference obligations that may have little or no value. If the Sub-Fund is a buyer and no credit event occurs, the Sub-Fund recovers nothing if the swap is held through its termination date. However, if a credit event occurs, the buyer may elect to receive the full notional value of the swap in exchange for an equal face amount of deliverable obligations of the reference obligation that may have little or no value.

The use of swap agreements by a Sub-Fund entails certain risks, which may be different from, or possibly greater than, the risks associated with investing directly in the securities and other Investments that are the referenced asset for the swap agreement. Swaps are highly specialized instruments that require investment techniques, risk analyses, and tax planning different from those associated with stocks, bonds, and other traditional investments. The use of a swap requires an understanding not only of the referenced asset, reference rate, but also of the swap itself, without the benefit of observing the performance of the swap under all the possible market conditions. Because some swap agreements have a leverage component, adverse changes in the value or level of the underlying asset, reference rate can result in a loss substantially greater than the amount invested in the swap itself. Certain swaps have the potential for unlimited loss, regardless of the size of the initial investment.

The use of CDSs is subject to the following conditions:

- The counterparty in the CDSs must be a first class credit institution specialized

	<p>in this type of operations;</p> <ul style="list-style-type: none"> <li>• The Prospectus of the Company must describe in detail the functioning and the risks related to the CDS and indicate the valuation method which must be duly approved by the Auditor of the Company in order to assure an adequate information of the investors.</li> </ul> <p>Moreover, the Company has to comply more specifically with the following rules in the case of CDS entered into in a purpose other than of cover:</p> <ul style="list-style-type: none"> <li>• The CDSs have to be used in the exclusive interest of the investors by letting presume an interesting return compared to the risks incurred by the Company;</li> <li>• The general investment restrictions (10% of the net assets in one issuer, etc.) must apply to the issuer of the CDSs and to the final debtor risk of the CDSs ("<b>underlying</b>");</li> <li>• The use of the CDSs must comply with the investment policy and the risk profile of the Company;</li> <li>• The Company has to care to assure an adequate permanent cover of the commitments related to the CDSs and have to be able at any time of honoring the redemption requests of the investors.</li> </ul> <p>The CDSs selected by the Company must be sufficiently liquid to allow the Company to sell/undo the concerned agreements in order to define the theoretical prices.</p> <p><b>Currency Swaps</b></p> <p>The Sub-Fund may enter into currency swap agreements for investment purposes. Currency swaps are similar to interest rate swaps, except that they involve multiple currencies. The Sub-Fund may enter into a currency swap when it has exposure to one currency and desires exposure to a different currency. Typically the interest rates that determine the currency swap payments are fixed, although occasionally one or both parties may pay a floating rate of interest. Unlike an interest rate swap, however, the principal amounts are exchanged at the beginning of the contract and returned at the end of the contract. In addition to paying and receiving amounts at the beginning and termination of the agreements, both sides will also have to pay in full periodically based upon the currency they have borrowed. Change in foreign exchange rates and changes in interest rates, as described above, may negatively affect currency swaps.</p>
<p><b>Profile of the typical investor</b></p>	<p><b>This Sub-Fund invests in international investments and as such is suited to the more experienced investor.</b></p>
<p><b>Risks factors</b></p>	<p>Since the Company will invest primarily in equity securities, the risk of an investment in the Company is substantial. The value of some of the Company's portfolio Investments should be expected to fluctuate, possibly significantly and unpredictably. The value of the Company's portfolio Investments generally will be affected to a large degree by company-specific events and, to a lesser degree, by broad market movements.</p> <p><b>Investment in Registered Investment Companies that are listed on a stock exchange</b></p> <p>Investment in another investment company may involve the payment of a premium above the value of the issuer's portfolio securities, and is subject to market availability. In</p>

the case of a purchase of shares of such a company in a public offering, the purchase price may include an underwriting spread. The Sub-Fund does not intend to invest in such an investment company unless, in the judgment of the Investment Manager, the potential benefits of such Investment justify the payment of any applicable premium or sales charge. As a shareholder in an investment company, the Sub-Fund would bear its ratable share of that investment company's expenses, including its advisory and administration fees. At the same time, the Sub-Fund would continue to pay its own Investment Management Fee and other expenses.

#### **ETF(ETC)s**

The ETF(ETC)s in which the Sub-Fund may invest may themselves invest in or have exposure to commodities, or may provide returns based on a multiple of an index as well as the inverse of a multiple of an index. ETF(ETC)s are subject to tracking error and may be unable to sell poorly performing stocks that are included in their index. ETF(ETC)s may trade in the secondary market at prices below the value of their underlying portfolios and may not be liquid.

Certain risks of investing in an ETF(ETC) are similar to those of investing in an indexed mutual fund, including tracking error risk (the risk of errors in matching the ETF(ETC)s underlying assets to the index); and the risk that because an ETF(ETC) is not actively managed, it cannot sell poorly performing stocks as long as they are represented in the index. Other ETF(ETC) risks include the risk that ETF(ETC) may trade in the secondary market at a discount from their Net Asset Value and the risk that the ETF(ETC)s may not be liquid.

#### **Exchange Traded Notes**

An investment in an Exchange Traded Note involves risks, including possible loss of principal. ETNs are unsecured debt securities issued by a bank that are linked to the total return of a market index. Risks of investing in ETNs also include limited portfolio diversification, uncertain principal payment, and illiquidity. Additionally, the investor fee will reduce the amount of return on maturity or at redemption, and as a result the investor may receive less than the principal amount at maturity or upon redemption, even if the value of the relevant index has increased. An investment in an ETN may not be suitable for all investors.

#### **Adjustable Rate and Auction Preferred Stocks**

An adjustable rate preferred stock is a type of preferred stock where the dividends issued will vary with a benchmark. The value of the dividend from the preferred share is set by a predetermined formula to move with rates, and because of this flexibility preferred prices are often more stable than fixed-rate preferred stocks.

Typically, the dividend rate on an adjustable rate preferred stock is determined prospectively each quarter by applying an adjustment formula established at the time of issuance of the stock. Although adjustment formulas vary among issues, they typically involve a fixed premium or discount relative to rates on specified debt securities issued by the U.S. Treasury. Typically, an adjustment formula will provide for a fixed premium or discount adjustment relative to the highest base yield of three specified U.S. Treasury securities: the 90-day Treasury bill, the 10-year Treasury note and the 20-year Treasury bond. The premium or discount adjustment to be added to or subtracted from this highest

U.S. Treasury base rate yield is fixed at the time of issue and cannot be changed without the approval of the holders of the stock.

The dividend rate on other preferred stocks, commonly known as auction preferred stocks, is adjusted at intervals that may be more frequent than quarterly, such as every 49 days, based on bids submitted by holders and prospective purchasers of such stocks and may be subject to stated maximum and minimum dividend rates. The issues of most adjustable rate and auction preferred stocks currently outstanding are perpetual, but are redeemable after a specified date at the option of the issuer. Certain issues supported by the credit of a high-rated financial institution provide for mandatory redemption prior to expiration of the credit arrangement. No redemption can occur if full cumulative dividends are not paid. Although the dividend rates on adjustable and auction preferred stocks generally are adjusted or reset frequently, the market values of these preferred stocks still may fluctuate in response to changes in interest rates. Market values of adjustable preferred stocks also may substantially fluctuate if interest rates increase or decrease once the maximum or minimum dividend rate for a particular stock is approached.

#### **Municipal Bonds**

Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest. The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Sub-Fund to value accurately than securities of public corporations.

#### **Lower-Rated Debt Securities**

Securities rated BBB by S&P or Baa by Moody's (the lowest investment grade ratings) are considered to be of medium grade and to have speculative characteristics. Debt securities rated below investment grade are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Although lower-rated debt and comparable unrated debt securities may offer higher yields than do higher-rated securities, they generally involve greater volatility of price and risk of principal and income, including the possibility of default by, or bankruptcy of, the issuers of the securities. In addition, the markets in which lower-rated and unrated debt securities are traded are more limited than those in which higher-rated securities are traded. Adverse publicity and investors' perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-rated debt securities, especially in a thinly traded market. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly, and the Sub-Fund may have greater difficulty selling its portfolio securities. Analyses of the creditworthiness of issuers of lower-rated debt securities may be more complex than for issuers of higher-rated securities, and the ability of the Sub-Fund to achieve its investment objective may, to the extent of investment in lower-rated debt securities, be more dependent upon such creditworthiness analyses than would be the case if the Sub-Fund were investing in higher-rated securities. Lower-rated debt securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. The prices of lower-rated debt securities have been found to be less sensitive

to interest rate changes than higher-rated investments, but more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in lower-rated debt securities' prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If the issuer of lower-rated debt securities defaults, the Sub-Fund may incur additional expenses seeking recovery.

#### **Futures and Options on Futures**

When futures contracts and options on futures are purchased over-the-counter, the Sub-Fund bears the risk that the counterparty to the contract will be unable or unwilling to perform its obligations. These contracts may also be illiquid and, in such cases, the Sub-Fund may have difficulty closing out its position. Engaging in these types of transactions is a specialized activity and involves risk of loss. In addition, engaging in these types of transactions may increase the volatility of returns, because they commonly involve significant "built in" leverage and can be entered into with relatively small "margin" commitments relative to the resulting investment exposure. Futures contracts and similar derivative instruments are also subject to the risk of default by the counterparties to the contracts.

Non-U.S. futures markets may have greater risk potential than U.S. markets. For example, some foreign exchanges are principal markets so that no common clearing facility exists and an investor may look only to the broker for performance of the contract. In addition, any profits realized could be eliminated by adverse changes in the exchange rate. Transactions on foreign exchanges may include both commodities that are traded on U.S. exchanges and those that are not. Unlike trading on U.S. commodity exchanges, trading on foreign commodity exchanges is not regulated by the CFTC.

Successful use of futures also is subject to the Investment Manager's ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to determine the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

It is impossible to forecast with absolute precision the market value of portfolio securities at the expiration of a forward contract. Accordingly, it may be necessary for the Sub-Fund to purchase additional currency on the spot market (and bear the expense of such purchase) if the market value of the security is less than the amount of currency the Sub-Fund is obligated to deliver, and if a decision is made to sell the security and make delivery of the currency. Conversely, it may be necessary to sell on the spot market some of the currency received upon the sale of the portfolio security if its market value exceeds the amount of currency the Sub-Fund is obligated to deliver.

If the Sub-Fund retains the portfolio security and engages in an offsetting transaction, the Sub-Fund will incur a gain or a loss to the extent that there has been movement in forward contract prices. If the Sub-Fund engages in an offsetting transaction, it may subsequently enter into a new forward contract to sell the currency. Should forward prices decline during the period between the date the Sub-Fund enters into a forward contract for the sale of a currency and the date it enters into an offsetting contract for the purchase of the currency, the Sub-Fund will realize a gain to the extent the price of the currency it has agreed to sell exceeds the price of the currency it has agreed to purchase. Should forward prices increase, the Sub-Fund will suffer a loss to the extent the price of

the currency it has agreed to purchase exceeds the price of the currency it has agreed to sell. A default on the contract would deprive the Sub-Fund of unrealized profits or force the Sub-Fund to cover its commitments for purchase or sale of currency, if any, at the current market price.

Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Such transactions also preclude the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for the Sub-Fund to hedge against a devaluation that is so generally anticipated that the Sub-Fund is not able to contract to sell the currency at a price above the devaluation level it anticipates. The cost to the Sub-Fund of engaging in currency exchange transactions varies with such factors as the currency involved, the length of the contract period and prevailing market conditions. Since currency exchange transactions are usually conducted on a principal basis, no fees or commissions are involved.

#### **When-Issued or Delayed-Delivery Securities**

The Sub-Fund may sell when-issued or delayed-delivery securities before settlement date if the Investment Manager deems it advisable for investment reasons. At the time the Sub-Fund enters into a binding obligation to purchase securities on a when-issued basis, liquid assets of the Sub-Fund having a value at least as great as the purchase price of the securities to be purchased will be segregated on the books of the Sub-Fund and held by the Depository throughout the period of the obligation.

#### **Auction-Rate Securities**

Risks of investing in auction-rate securities include decreased liquidity and potential drops in the coupon rate. The Sub-Fund will be able to sell the ARS in an auction only if there are bidders willing to purchase all the ARS offered for sale in the auction. If sufficient clearing bids have not been made, the Sub-Fund will not be able to sell in the auction all, and may not be able to sell any, of the ARS subject to such submitted sell orders. There may not always be enough bidders to prevent an auction from failing. Therefore, failed auctions are possible, especially if the issuer's credit were to deteriorate or if a market disruption were to occur. Between auctions, there can be no assurance that a secondary market for the ARS will develop or, if it does develop, that it will provide existing holders the ability to resell the ARS in the secondary market on the terms or at the times desired by an existing holder. Existing holders who resell between auctions may receive less than par value, depending on market conditions. The ability to resell any ARS will depend on various factors affecting the market for the ARS, including news relating to the specific issuer of the ARS, the attractiveness of alternative investments, the perceived risk of owning the specific ARS (whether related to credit, liquidity or any other risk), the tax or accounting treatment accorded ARS generally (including recent clarification of GAAP as they apply to the accounting treatment of ARS), reactions of market participants to regulatory actions or press reports, financial reporting cycles and market conditions generally. Demand for the ARS may change without warning, and declines in demand may be short-lived or continue for longer periods.

#### **Repurchase Agreements**

In the event of the bankruptcy or insolvency of the financial institution, the purchaser

may be delayed in selling the collateral underlying the repurchase agreement. Further, the law is unsettled regarding the rights of the purchaser if the financial institution which is a party to the repurchase agreement petitions for bankruptcy or otherwise becomes subject to the U.S. Bankruptcy Code. Repurchase agreements of greater than seven days maturity may be deemed to be illiquid.

#### **Warrants**

With regard to investment in warrants investors should note that the gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

#### **Options Transactions**

The Investment Manager believes that certain transactions in options on securities and on stock indices may be useful in limiting the Sub-Fund's investment risk and augmenting its investment return. The Investment Manager expects, however, the amount of the Sub-Fund's assets that will be involved in options transactions to be small relative to the Sub-Fund's assets. Accordingly, it is expected that only a relatively small portion of the Sub-Fund's investment return will be attributable to transactions in options on securities and on stock indices. The Sub-Fund may invest in put and call options transactions involving options on securities and on stock indices that are traded on U.S. and foreign exchanges or in the over-the-counter markets.

#### **OTC Derivatives, Options and Futures Transactions**

If the Sub-Fund were assigned an exercise notice on a call it has written, it may be required to liquidate portfolio securities in order to satisfy the exercise, unless it has other liquid assets that are sufficient to satisfy the exercise of the call. When the Sub-Fund has written a call, there is also a risk that the market may decline between the time the Sub-Fund has a call exercised against it and the time it is able to sell securities in its portfolio. As with stock options, the Sub-Fund will not learn that an option has been exercised until the day following the exercise date but, unlike a call on stock where it would be able to deliver the underlying securities in settlement, the Sub-Fund may have to sell part of its securities portfolio in order to make settlement in cash, and the price of such securities might decline before they can be sold. For example, even if a call which the Sub-Fund has written is "covered" by a similar call held by the Sub-Fund with the same strike price, it will bear the risk that the level of the underlying may decline between the close of trading on the date the exercise notice is filed with the Options Clearing Corporation and the close of trading on the date the Sub-Fund exercises the call it holds or the time it sells the call, which in either case would occur no earlier than the day following the day the exercise notice was filed.

Over-the-Counter transactions differ from exchange-traded transactions in several respects. OTC transactions are transacted directly with dealers and not with a clearing corporation. Without the availability of a clearing corporation, OTC transaction pricing is normally done by reference to information from market makers, which information is carefully monitored by the Investment Manager and verified in appropriate cases.

As OTC transactions are transacted directly with dealers, there is a risk of nonperformance by the dealer as a result of the insolvency of such dealer or otherwise. An OTC transaction may only be terminated voluntarily by entering into a closing

transaction with the dealer with whom the Sub-Fund originally dealt. Any such cancellation may require the Sub-Fund to pay a premium to that dealer. In those cases in which the Sub-Fund has entered into a covered transaction and cannot voluntarily terminate the transaction, the Sub-Fund will not be able to sell the underlying security until the transaction expires or is exercised or different cover is substituted. The Sub-Fund intends to enter into OTC transactions only with dealers which agree to, and which are expected to be capable of, entering into closing transactions with the Sub-Fund. There is also no assurance that the Sub-Fund will be able to liquidate an OTC transaction at any time prior to expiration.

#### **Special Risks of Over-the-Counter Transactions**

Over-the-Counter transactions differ from exchange-traded transactions in several respects. OTC transactions are transacted directly with dealers and not with a clearing corporation. Without the availability of a clearing corporation, OTC transaction pricing is normally done by reference to information from market makers, which information is carefully monitored by the Investment Manager and verified in appropriate cases.

As OTC transactions are transacted directly with dealers, there is a risk of nonperformance by the dealer as a result of the insolvency of such dealer or otherwise. An OTC transaction may only be terminated voluntarily by entering into a closing transaction with the dealer with whom the Sub-Fund originally dealt. Any such cancellation may require the Sub-Fund to pay a premium to that dealer. In those cases in which the Sub-Fund has entered into a covered transaction and cannot voluntarily terminate the transaction, the Sub-Fund will not be able to sell the underlying security until the transaction expires or is exercised or different cover is substituted. The Sub-Fund intends to enter into OTC transactions only with dealers which agree to, and which are expected to be capable of, entering into closing transactions with the Sub-Fund. There is also no assurance that the Sub-Fund will be able to liquidate an OTC transaction at any time prior to expiration.

#### **Special risks of CDSs**

The risks specific to CDS transactions are the following:

- counterparty risk, which is the risk that the counterparty of the CDSs transaction will default on its obligations. As protection buyer, the counterparty risk materializes only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-Fund will only enter into CDS transactions with highly rated financial institutions specialized in this type of transaction as approved by the Investment Manager as derivative counterparties;
- credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-Fund rise to a total loss of the Sub-Fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract

having a market value near to recovery rate;

- mark-to-market risk, which is the risk that a CDSs investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs; and
- settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.

#### **Conflicts of Interest**

The Investment Manager is generally responsible for managing several accounts for several clients. In addition to the Sub-Fund and other funds advised by the Investment Manager, these other accounts may include separate accounts, mutual funds advised by the Investment Manager, and other investment vehicles. Moreover, the capitalization of these accounts can vary significantly from the capitalization of the Sub-Fund. Potential conflicts of interest exist when a portfolio manager has responsibility and makes investment decisions involving such accounts. As investment decisions for accounts are made with consideration of their respective investment objectives and constraints, availability of cash for Investment, current holdings and size of investment positions, it is therefore possible that a particular security may be bought or sold for only one account, or in different amounts and at different times for different accounts. Transactions are generally allocated among accounts in a manner believed by the Investment Manager to be most equitable to each account, generally using a *pro rata* allocation methodology. Exceptions to *pro rata* allocation are made to recognize the investment needs and particular restrictions of each individual account, including but not limited to consideration of issuer concentration, industry exposure, asset class exposure, credit exposure, available cash, desire to eliminate and/or not establish de minimis positions, and to accounts with specialized investment policies and objectives.

The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisers before making any decision to invest in the Sub-Fund.

#### **Soft Dollars and Commission Sharing Arrangements**

It is a common practice in the investment advisory business for investment managers of investment companies and other institutional investors to receive research and brokerage products and services (together, for the purpose of this section, "**Services**") from broker-dealers which execute portfolio transactions for the clients of such investment managers. Consistent with this practice, the Investment Manager receives Services from many broker-dealers with which the Investment Manager places the Sub-Fund's portfolio transactions. These Services, which in some cases also may be purchased for cash, may include, among other things, such items as general economic and security market reviews, industry and company reviews, evaluations of securities, recommendations as to the purchase and sale of securities, and services related to the execution of securities transactions. The Investment Manager may also obtain research services by entering into commission sharing arrangements ("**CSAs**"). Under a CSA, the Investment Manager may execute a transaction through a broker-dealer and request that the broker-dealer allocate a portion of the commission to another broker-dealer that provides valuable

	<p>research. The investment management fees paid by the Sub-Fund are not reduced because the Investment Manager receives such services even though the receipt of such services relieves the Investment Manager from expenses they might otherwise bear. Research and brokerage services provided by broker-dealers chosen by the Investment Manager to place the Sub-Fund's portfolio transactions may be useful to the Investment Manager in providing services to the Investment Manager's other clients, although not all of these services may be necessarily useful and of value to the Investment Manager in managing the Sub-Fund. Conversely, research and brokerage services provided to the Investment Manager by broker-dealers in connection with trades executed on behalf of other clients of the Investment Manager may be useful to the Investment Manager in managing the Sub-Fund, although not all of these services may be necessarily useful and of value to the Investment Manager in managing such other clients.</p> <p>The Investment Manager will route transactions to broker-dealers in exchange for Services and enter into CSAs in accordance with applicable laws and regulations and best market practice, subject to a prior written agreement between the Investment Manager and the broker-dealer, and only to the extent that the Investment Manager is satisfied that the transactions routed to its broker-dealer in exchange for Services or under CSAs are made in good faith and serve the best interest of the Fund and its investors.</p> <p>The above mentioned practices may give rise to certain specific conflicts of interest. Any such conflicts will be managed according to the Management Company's conflicts of interest policy.</p> <p><b>Subscription Procedure</b></p> <p>Making use of its right of discretion in the acceptance of subscriptions, the Board of Directors has decided to principally restrict the inflow of capital of new investors into the Sub-Fund in accordance with the restrictions set out above.</p> <p>Subscription orders received from existing Shareholders will be scrutinized and these may be rejected in the discretion of the Global Distributor, especially in function of the restrictions set out above. In case of a direct or indirect application (via a sub-distributor, nominee or other) for subscription of Shares, there exists the risk that the Global Distributor cannot immediately identify the applicant as an existing Shareholder in which case its subscription will in principle be rejected. Such risk is increased by the fact that the approval process is performed manually and thus subject to human error.</p> <p>In case a subscription is rejected, due to the potential time zone difference between the applicant and the Global Distributor, the applicant may only receive such information the next following Business Day.</p> <p>In case a disputed subscription is resubmitted on a later Valuation Date, such subscription can only be accepted on the basis of the Net Asset Value per Share of the relevant Class and Category of that Valuation Day.</p> <p>Neither the Company, nor the Global Distributor, can be held liable for a rejection of a subscription for shares, regardless of whether it was made by an existing Shareholder or not.</p>
<b>Reference Currency of</b>	USD

<b>the Sub-Fund</b>			
<b>Classes</b>	Three Classes will be issued: Class A, Class I and Class W.		
<b>Categories</b>	<p>The following Categories are issued within each Class:</p> <p><b>Class A:</b> one Category in which Shares are issued in EUR, one Category in which Shares are issued in CHF and one Category in which Shares are issued in USD; and</p> <p><b>Class I:</b> one Category in which Shares are issued in EUR, one Category in which Shares are issued in CHF and one Category in which Shares are issued in USD.</p> <p><b>Class W:</b> one Category in which Shares are issued in EUR, one Category in which Shares are issued in CHF and one Category in which Shares are issued in USD.</p> <p><b>Only accumulating Shares are issued.</b></p>		
<b>Reference Currencies of Categories</b>	<b>Class A Shares (EUR)</b> EUR	<b>Class A Shares (CHF)</b> CHF	<b>Class A Shares (USD)</b> USD
	<b>Class I Shares (EUR)</b> EUR	<b>Class I Shares (CHF)</b> CHF	<b>Class I Shares (USD)</b> USD
	<b>Class W Shares (EUR)</b> EUR	<b>Class W Shares (CHF)</b> CHF	<b>Class W Shares (USD)</b> USD
<b>Cut-Off Time for each Class and Category</b>	4:00 p.m. Eastern Standard Time		
<b>Minimum initial investment and subsequent holding</b>	<b>Class A Shares (EUR)</b> EUR 10,000.-	<b>Class A Shares (CHF)</b> CHF 10,000.-	<b>Class A Shares (USD)</b> USD 10,000.-
	<b>Class I Shares (EUR)</b> EUR 1,000,000.-	<b>Class I Shares (CHF)</b> CHF 1,000,000.-	<b>Class I Shares (USD)</b> USD 1,000,000.-
	<b>Class W Shares (EUR)</b> EUR 10,000.-	<b>Class W Shares (CHF)</b> CHF 10,000.-	<b>Class W Shares (USD)</b> USD 10,000.-
<b>There is no minimum subsequent investment amount</b>			
<b>Sales Charge to be paid by the investor</b>	For Class A Shares, there may be a sales charge of up to 1% of the subscription amount when considered appropriate by the sub-distributor(s) for subscription of Shares in the Sub-Funds.		
<b>Investment Management Fee to be paid by the Sub-Fund</b>	<b>Class A Shares</b> Up to 1.25 % of the Net Asset Value in favor of the Investment Manager	<b>Class I Shares</b> Up to 1.25 % of the Net Asset Value in favor of the Investment Manager	<b>Class W Shares</b> Up to 1.25 % of the Net Asset Value in favor of the Investment Manager

<b>Management Company fee to be paid by the Sub-Fund</b>	Up to 0.08% of the Sub-Fund's Net Asset Value per annum (per Sub-Fund)		
<b>Distribution Fee to be paid by the Sub-Fund</b>	<b>Class A Shares</b> Up to 0.50 % of the Sub-Fund's Net Asset Value held by the relevant sub-distributor(s) paid to the sub-distributor(s)	<b>Class I Shares</b> None	<b>Class W Shares</b> None
<b>Minimum fee payable to the Depositary</b>	<i>N/A.</i>		
<b>Minimum fee payable to the Central Administration (including for fund accounting and compliance)</b>	EUR 60,000 <i>per annum</i>		
<b>Minimum fee payable to the Transfer Agent</b>	EUR 80,000 <i>per annum</i>		
<b>Flat fee to be paid to the Domiciliary Agent</b>	EUR 6,000 <i>per annum</i> (this amount was fixed on 6 August 2009 and is subject to the Luxembourg legal indexation in accordance with the mechanism of indexation legally applicable in Luxembourg)		
<b>Redemption Charge to be paid by the investor</b>	None		
<b>Taxation to be paid by the Sub-Fund</b>	<b>Class A Shares</b> The annual subscription tax in Luxembourg is calculated at the rate of 0.05% of the Net Asset Value of the Sub-Fund. This tax is payable quarterly.	<b>Class I Shares</b> The annual subscription tax in Luxembourg is calculated at the rate of 0.01% of the Net Asset Value of the Sub-Fund. This tax is payable quarterly.	<b>Class W Shares</b> The annual subscription tax in Luxembourg is calculated at the rate of 0.05% of the Net Asset Value of the Sub-Fund. This tax is payable quarterly.