

The Board of Directors, whose members' names appear in this Prospectus, is responsible for the information contained in this document. To the best of the knowledge and belief of the Board of Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

# **SKY HARBOR GLOBAL FUNDS**

**(an open-ended investment company incorporated in the Grand Duchy of Luxembourg)**

**Prospectus**

**for**

**an umbrella fund**

**February 2016**

**VISA 2016/102277-7453-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2016-03-01  
Commission de Surveillance du Secteur Financier



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## INTRODUCTION

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All capitalised terms used in this Prospectus have the meanings given to them under the heading “GLOSSARY OF TERMS” unless the context requires otherwise.

This Prospectus includes information relating to SKY Harbor Global Funds (the “Company”), an undertaking for collective investment in transferable securities under part I of the Law of 2010. The Company has adopted an “umbrella structure,” which allows its capital to be divided into different portfolios of securities and other assets permitted by law with specific investment objectives and various risks or other characteristics (hereinafter referred to as the “Sub-Funds” and each a “Sub-Fund”). The Company may issue different classes of shares (hereinafter referred to as “Shares” and each a “Share”), which are related to specific Sub-Funds established within the Company.

Authorisation does not imply approval by any Luxembourg authority of any portfolio of securities held by the Company. Any representation to the contrary is unauthorised and unlawful. In particular, authorisation of the Company by the CSSF does not constitute a warranty by the Luxembourg supervisory authority as to the performance of the Company and the Luxembourg supervisory authority shall not be liable for the performance or default of the Company.

The Reports will be available on the Website and at the registered office of the Company and will be sent to investors upon request. This Prospectus and the KIIDs can also be accessed on the Website (<http://www.skyharborglobalfunds.com>) or obtained from the registered office of the Company.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein.

No person has been authorised to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and the Reports, and, if given or made, such information or representations must not be relied on as having been authorised by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons who come into possession of this Prospectus are required by the Company to inform themselves of, and to observe, any such restrictions and all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Shares should also 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 or sale of Shares. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “U.S. Securities Act”) and the Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended, (the “Investment Company Act”). Accordingly, Shares may not be offered, sold, transferred, or delivered, directly or indirectly, in the United States or to any United States Person (as defined

below), except in compliance with the securities laws of the United States and of any state thereof in which such offer or sale is made. However, the Company reserves the right to make a private placement of its Shares to a limited number or category of United States Persons.

If it comes to the attention of the Company at any time that a United States Person unauthorised by the Company, either alone or in conjunction with any other person, owns Shares, the Company may compulsorily redeem such Shares.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the shares are sold, that in any action based upon disclosure in the Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail.

**There can be no guarantee that the objectives of the Sub-Funds will be achieved.**

**The Sub-Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Sub-Fund to maintain a diversified portfolio of investments so as to minimise risk subject to the investment objective and policy of the Sub-Fund. Hence, for example, where a Sub-Fund's investment objective and policy is to invest in high yield securities, the portfolio may be diversified as to issuers, securities, industry sectors, or other characteristics, but the portfolio as a whole will nevertheless consist wholly or predominantly of high yield securities.**

**The investments of a Sub-Fund may be denominated in currencies other than the Reference Currency of that Sub-Fund. The value of those investments (when converted to the Reference Currency of that Sub-Fund) may fluctuate due to changes in exchange rates. The price of Shares and the income from them can go down as well as up and investors may not realise their initial investment.**

**Attention is drawn to the section "RISK WARNINGS".**

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) 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, switch and disposal of Shares.**

If you are in any doubt about any of the contents in this Prospectus, you should consult your financial advisor. No person is authorised to give any information other than that contained in the Prospectus, or any of the documents referred to herein that are available for public inspection at the registered office of the Company.

Information on the listing of the Shares on the Luxembourg Stock Exchange, if applicable, is disclosed for each Sub-Fund in the relevant Appendix.

This Prospectus contains forward-looking statements, which provide current assumptions, expectations or forecasts of future events. Words such as “may,” “expects,” “future” and “intends,” and similar expressions, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include statements and assumptions about the Company or a Sub-Fund’s plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties and inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Prospective Shareholders should not unduly rely on these forward-looking statements, which apply only as of the date of this Prospectus.

## **DIRECTORY**

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### **SKY HARBOR GLOBAL FUNDS**

#### **Registered Office**

6c, route de Trèves  
L-2633 Senningerberg  
Luxembourg

#### **Board of Directors**

Thomas Kelleher  
Director  
SKY Harbor Capital Management, LLC

Stefan Balog  
Managing Director / Geschäftsführer  
SKY Harbor Capital Management GmbH

Gordon Eng  
General Counsel and Chief Compliance Officer  
SKY Harbor Capital Management, LLC

Philippe Descheemaeker  
Managing Director / Geschäftsführer  
SKY Harbor Capital Management GmbH

Justin Egan  
Managing Director  
Carne Global Financial Services Luxembourg

#### **Management Company**

Lemanik Asset Management S.A.  
106 route d'Arlon  
L-8210 Mamer  
Luxembourg

#### **Investment Manager**

SKY Harbor Capital Management, LLC  
20 Horseneck Lane  
Greenwich, CT 06830  
United States of America

#### **Custodian, Paying Agent, Administrator, Domiciliary, Listing Agent, Registrar and Transfer Agent**

J.P. Morgan Bank Luxembourg S.A.  
6c, route de Trèves  
L-2633 Senningerberg  
Luxembourg

#### **Principal Distributor**

SKY Harbor Capital Management GmbH  
An der Welle 4  
60322 Frankfurt  
Germany

#### **Auditors**

Deloitte Audit, S.à.r.l.  
560, rue de Neudorf  
L-2220 Luxembourg  
Luxembourg

**Legal Advisers**

As to Luxembourg law  
Dechert (Luxembourg) LLP  
1, Allée Scheffer  
B.P. 709  
L-2017 Luxembourg  
Luxembourg

As to United States law  
Dechert LLP  
One International Place, 40th Floor  
100 Oliver Street  
Boston, MA 02110  
United States of America

## GLOSSARY OF TERMS

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**This glossary is intended to help readers who may be unfamiliar with the terms used in this Prospectus. It is not intended to give definitions for legal purposes.**

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ABS</b>                                  | Asset backed securities. A debt security under which payments of principal and interest are made to the holders from revenue generated by an underlying pool of assets such as mortgages, credit card receivables, commercial loans or other loans, derivatives, or a combination of these. The underlying assets are pledged to the holders of the securities as collateral for the payment by the issuer of principal and interest on the securities. Asset backed securities are most commonly issued by a special purpose entity as part of a securitization or structured finance transaction. |
| <b>Administration Agreement</b>             | The agreement entered into between the Management Company, the Company and the Administrator.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Administration Cooperation Directive</b> | Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Administrator</b>                        | J.P. Morgan Bank Luxembourg S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Appendix</b>                             | An appendix to this Prospectus in which the name and the specifications of each Sub-Fund and Class are described.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Articles of Incorporation</b>            | The articles of incorporation of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>BaFin</b>                                | <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> , the German regulatory authority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Board of Directors</b>                   | The board of directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business Day</b>           | Unless otherwise provided for in the relevant Appendix, a day on which banks in Luxembourg and New York are open for business and such other days as the Board of Directors may decide. Shareholders will be notified in advance of such other days according to the principle of fair and equitable treatment of Shareholders. For the avoidance of doubt, half-closed bank business days in Luxembourg are considered as being closed for business. For Sub-Funds that invest a substantial amount of assets outside the European Union, the Board of Directors may also take into account whether relevant local exchanges are open, and may elect to treat such closures as non-business days. In such event, Shareholders will be notified accordingly with due regard to the principle of fair and equitable treatment of Shareholders.                                                                                                                                  |
| <b>Capitalization Classes</b> | The Classes which include the term “Capitalization” in their denomination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Circular 08/356</b>        | CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to Transferable Securities and Money Market Instruments, as amended, supplemented or replaced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Circular 14/592</b>        | Circular CSSF 14/592 on Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Class</b>                  | One class of Shares of no par value in a Sub-Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>CLO</b>                    | Collateralized Loan Obligation. A type of debt security, typically issued by a trust or other special purpose entity created to securitize large pools of loans (other than mortgages), which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans, held by such issuer. CLOs may charge management and other administrative fees. The CLO issuer will hold and manage several tranches of loans grouped by credit rating; with each tranche having the right to the collateral and payment stream of the underlying loans in descending order (lower rated tranches hold increasingly subordinated rights to the collateral and payment stream). If there are defaults or a CLO’s collateral otherwise underperforms, scheduled payments to senior tranches typically take priority over less senior tranches. |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Code</b>                 | The U.S. Internal Revenue Code of 1986, as amended.                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Company</b>              | SKY Harbor Global Funds, an open-ended investment company organised as a <i>société anonyme</i> under the laws of Luxembourg and which qualifies as a <i>société d'investissement à capital variable</i> . The Company includes all Sub-Funds.                                                                                                                                                                                     |
| <b>CRS</b>                  | Common Reporting Standard.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>CSSF</b>                 | The <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Authority.                                                                                                                                                                                                                                                                                                                                 |
| <b>Custodian</b>            | J.P. Morgan Bank Luxembourg S.A.                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Dealing Deadline</b>     | The time and day by which complete applications for subscription, redemption or switching must be received and approved by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end to have the transaction effective as of, and thereby effected at the Net Asset Value for, the applicable Valuation Day, as specified for each Sub-Fund in the relevant Appendix. |
| <b>Directors</b>            | The members of the Board of Directors for the time being and any successors to such members as they may be appointed from time to time.                                                                                                                                                                                                                                                                                            |
| <b>Distribution Classes</b> | The Classes which include the term “Distribution” in their denomination.                                                                                                                                                                                                                                                                                                                                                           |
| <b>Eligible Market</b>      | A stock exchange or Regulated Market in one of the Eligible States.                                                                                                                                                                                                                                                                                                                                                                |
| <b>Eligible State</b>       | Any Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.                                                                                                                                                                                                                                                                                              |
| <b>ESMA 2014/937</b>        | ESMA Guidelines 2014/937 dated 1 August 2014 regarding Guidelines on ETFs and other UCITS issues.                                                                                                                                                                                                                                                                                                                                  |
| <b>EU</b>                   | The European Union.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>EU Savings Directive</b> | Council Directive 2003/48/EC on the taxation of savings income, as amended.                                                                                                                                                                                                                                                                                                                                                        |

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|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Eurozone</b>                       | All of the EU Countries that have fully incorporated the euro as their national currency.                                                                                                                                                                                                                                                                                                                                     |
| <b>FATCA</b>                          | Sections 1471 through 1474 of the Code, any current or future “Foreign Account Tax Compliance Act” regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these Sections of the Code. |
| <b>FATF</b>                           | The Financial Action Task Force established by the G-7 Summit in Paris in July 1989 to examine measures to combat money laundering.                                                                                                                                                                                                                                                                                           |
| <b>FATF State</b>                     | Such country deemed from time to time by the FATF to comply with the FATF regulations and criteria necessary to become a member country of FATF and to have acceptable standards of anti-money laundering legislation.                                                                                                                                                                                                        |
| <b>Financial Account</b>              | A “Financial Account” as used in the intergovernmental agreement between the U.S. and Luxembourg for the purposes of FATCA.                                                                                                                                                                                                                                                                                                   |
| <b>Financial Institution</b>          | A “Financial Institution” as defined in FATCA.                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Global Custody Agreement</b>       | The agreement entered into between the Company and the Custodian dated 7 March 2012, as amended.                                                                                                                                                                                                                                                                                                                              |
| <b>Grand-Ducal Regulation of 2008</b> | The Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010.                                                                                                                                                                                                                                                                                                                             |
| <b>Hedged Classes</b>                 | The Classes with the suffix “hedged”.                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Initial Offering Period</b>        | The date or period during which Shares are offered for subscription as shall be specified by the Board of Directors for each Class within a Sub-Fund.                                                                                                                                                                                                                                                                         |
| <b>Institutional Investor</b>         | An institutional investor within the meaning of articles 174, 175 and 176 of the Law of 2010.                                                                                                                                                                                                                                                                                                                                 |
| <b>Investment Company Act</b>         | The U.S. Investment Company Act of 1940, as amended.                                                                                                                                                                                                                                                                                                                                                                          |

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Investment Management Agreement</b>       | The agreement entered into between the Company, the Management Company and the Investment Manager.                                                                                                                                                                                                                                                                                             |
| <b>Investment Manager</b>                    | SKY Harbor Capital Management, LLC.                                                                                                                                                                                                                                                                                                                                                            |
| <b>KIID</b>                                  | A Key Investor Information Document.                                                                                                                                                                                                                                                                                                                                                           |
| <b>Law of 2005</b>                           | The Luxembourg law of 21 June 2005 implementing the EU Savings Directive in national legislation in Luxembourg, as amended.                                                                                                                                                                                                                                                                    |
| <b>Law of 2010</b>                           | The Luxembourg law dated 17 December 2010 concerning undertakings for collective investment, as amended.                                                                                                                                                                                                                                                                                       |
| <b>Liquidity Event</b>                       | An exceptional and broad reduction in the general ability of financial market participants to sell financial assets without an unusual and significant discount or to borrow (using financial assets as collateral) without an unusual and significant increase in margin; or an unusual and significant reduction in the ability of financial market participants to obtain unsecured credit. |
| <b>Management Company</b>                    | Lemanik Asset Management S.A.                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Management Company Services Agreement</b> | The agreement entered into between the Company and the Management Company.                                                                                                                                                                                                                                                                                                                     |
| <b>Member State</b>                          | A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union.                                                                    |
| <b>Mémorial</b>                              | The <i>Mémorial C, Recueil des Sociétés et Associations</i> .                                                                                                                                                                                                                                                                                                                                  |
| <b>Money Market Instruments</b>              | Money market instruments within the meaning of the Law of 2010 and the Grand-Ducal Regulation of 2008.                                                                                                                                                                                                                                                                                         |
| <b>Net Asset Value, or NAV</b>               | The net value of the assets less liabilities attributable to the Company or a Sub-Fund or a Class, as applicable, and calculated in accordance with the provisions of this Prospectus.                                                                                                                                                                                                         |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NYSE</b>                             | The New York Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>OECD</b>                             | Organisation for Economic Cooperation and Development.                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Ongoing Charges</b>                  | The ongoing charges include all the annual charges and other payments taken from the assets of the Sub-Fund which include, but are not limited to, management fees, management company fees, administrative fees, custodian fees, Directors' fees and expenses, registration costs, regulatory fees, audit fees, legal fees, registration fees, formation costs, translation costs, printing costs, publication costs and duties. |
| <b>Other UCIs</b>                       | An undertaking for collective investment as set out under I(1)(c) under the heading "INVESTMENT RESTRICTIONS".                                                                                                                                                                                                                                                                                                                    |
| <b>Paying Agent</b>                     | J.P. Morgan Bank Luxembourg S.A.                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Principal Distribution Agreement</b> | The agreement entered into between the Management Company, the Principal Distributor and the Company.                                                                                                                                                                                                                                                                                                                             |
| <b>Principal Distributor</b>            | SKY Harbor Capital Management GmbH.                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Prospectus</b>                       | The prospectus of the Company in accordance with the Law of 2010.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Redemption Price</b>                 | Unless otherwise provided for in the relevant Appendix, the Redemption Price of Shares in a Class corresponds to the Net Asset Value of the relevant Class determined on the Valuation Day on which the application for redemption is accepted by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end.                                                        |
| <b>Reference Currency</b>               | The reference currency of each Sub-Fund and of each Class as specified in the relevant Appendix.                                                                                                                                                                                                                                                                                                                                  |
| <b>Registrar and Transfer Agent</b>     | J.P. Morgan Bank Luxembourg S.A.                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulated Market</b>        | <ul style="list-style-type: none"> <li>- A regulated market within the meaning of article 4, item 1.14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;</li> <li>- a market in a Member State which is regulated, operates regularly and is recognized and open to the public; or</li> <li>- a stock exchange or market in a non-Member State which is regulated, operates regularly and is recognized and open to the public.</li> </ul>                                                     |
| <b>Related UCIs</b>            | Undertakings for collective investment which are managed by the Investment Manager or other entities related to it by common management or control or by a significant direct or indirect investment.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Reports</b>                 | The most recent annual and semi-annual reports of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>SEC</b>                     | The U.S. Securities and Exchange Commission.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Shares</b>                  | Shares of a Sub-Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Shareholder</b>             | A holder of shares of a Sub-Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Sub-Fund</b>                | A separate sub-fund established and maintained in respect of one or more Classes to which the assets and liabilities and income and expenditure attributable or allocated to each such Class or Classes will be applied or charged.                                                                                                                                                                                                                                                                                                                                      |
| <b>Subscription Price</b>      | Unless otherwise provided for in the relevant Appendix, the subscription price of the Shares in each Class, denominated in the Reference Currency of the Class indicated in the relevant Appendix, corresponds to the Net Asset Value of the relevant Class determined on the Valuation Day on which the subscription application is accepted (the subscription application will be accepted on a particular Valuation Day only if received prior to the Dealing Deadline), increased by an initial sales charge as detailed for each Sub-Fund in the relevant Appendix. |
| <b>Transferable Securities</b> | Transferable securities within the meaning of the Law of 2010 and the Grand-Ducal Regulation of 2008.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>UCITS</b>                   | An undertaking for collective investment in transferable securities authorised pursuant to the UCITS Directive.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                |                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>UCITS Directive</b>         | 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, as may be amended from time to time.                                             |
| <b>UK</b>                      | The United Kingdom.                                                                                                                                                                                                                                                                                                       |
| <b>United States, or U.S.</b>  | The United States of America, its territories, possessions, or areas subject to its jurisdiction.                                                                                                                                                                                                                         |
| <b>U.S. Commodity Act</b>      | The U. S. Commodity Exchange Act, as amended.                                                                                                                                                                                                                                                                             |
| <b>U.S. Person</b>             | A “U.S. Person” as defined under the heading “DEFINITION OF U.S. PERSON AND U.S. REPORTABLE PERSON”.                                                                                                                                                                                                                      |
| <b>U.S. Reportable Account</b> | A Financial Account held by a U.S. Reportable Person.                                                                                                                                                                                                                                                                     |
| <b>U.S. Reportable Person</b>  | Either (i) a “U.S. Taxpayer” who is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity. See under the heading “DEFINITION OF U.S. PERSON AND U.S. REPORTABLE PERSON” for a complete definition of U.S. Reportable Person, Excluded U.S. Taxpayer, and Passive U.S. Controlled Foreign Entity. |
| <b>U.S. Securities Act</b>     | The United States Securities Act of 1933, as amended.                                                                                                                                                                                                                                                                     |
| <b>U.S. Taxpayer</b>           | A “U.S. Taxpayer” as defined under the heading “DEFINITION OF U.S. PERSON AND U.S. REPORTABLE PERSON”.                                                                                                                                                                                                                    |
| <b>Valuation Day</b>           | Each day on which the Net Asset Value of the relevant Sub-Fund shall be determined, which, unless otherwise provided for in the relevant Appendix, shall be each Business Day.                                                                                                                                            |
| <b>Website</b>                 | The Company’s website, <a href="http://www.skyharborglobalfunds.com">http://www.skyharborglobalfunds.com</a> .                                                                                                                                                                                                            |

All references herein to “EUR” are to the euro, the official currency of the euro area. All references to “U.S. Dollars” and “USD” are to United States Dollars, the lawful currency of the United States of America. All references to “GBP” are to Pound Sterling, the lawful currency of the UK. All references to “SEK” are to the Swedish Krona, the lawful currency of Sweden. All references to “NOK” are to the Norwegian Krone, the lawful currency of Norway. All references to “DKK” are to the Danish Krone, the lawful currency of Denmark. All references herein to “CHF” are to the Swiss Franc, the lawful currency of Switzerland. All references herein to “SGD” are to the Singapore Dollar, the lawful currency of Singapore.

The descriptions in the main body of this Prospectus are generally applicable to all Sub-Funds. However, where different descriptions or exceptions appear in the Appendix of a Sub-Fund, the descriptions or exceptions in such Appendix prevail. Thus, it is advisable to carefully review the relevant Appendices together with the main body of the Prospectus.

## **PRINCIPAL CHARACTERISTICS OF THE COMPANY**

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The Company was incorporated for an unlimited period on 7 March 2012 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as an open-ended *société d'investissement à capital variable* under part I of the Law of 2010.

The deed of incorporation, including the Articles of Incorporation, was published in the *Mémorial* on 20 March 2012. The latest amendments to the Articles of Incorporation were made on 16 September 2013 and were published in the *Mémorial* on 30 September 2013.

The Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under Number B167459. The Company was incorporated with an initial capital of EUR 300,000. The capital of the Company shall be equal to the net assets of the Company. The minimum capital of the Company is the equivalent in U.S. Dollars of 1,250,000 Euro.

The Company is authorised by the Luxembourg supervisory authority as a UCITS under the Law of 2010.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. Each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. A Shareholder is only entitled to the assets and profits of that Sub-Fund in which he participates. The Company is considered as one single legal entity. With regard to third parties, including the Company's creditors, the Company is responsible for all liabilities incurred by a Sub-Fund exclusively based on the assets of the relevant Sub-Fund. The liabilities of each Sub-Fund to its Shareholders are only incurred with respect to the relevant Sub-Fund.

The subscription proceeds of all Shares in a Sub-Fund are invested in one common underlying portfolio of investments. Each Share is, upon issue, entitled to participate equally in the assets of the Sub-Fund to which it relates on liquidation and in dividends and other distributions as declared for such Sub-Fund or Class. The Shares will carry no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meetings of Shareholders.

## **BOARD OF DIRECTORS**

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### **Directors' Functions**

The Directors are responsible for the overall management and control of the Company. The Directors will receive periodic reports from the Investment Manager detailing each Sub-Fund's performance and analysing its investment portfolio. The Investment Manager will provide such other information as may from time to time be reasonably required by the Directors.

### **Board of Directors**

#### **Thomas Kelleher, Chairperson**

Mr. Kelleher is the Chairperson of the Board of Directors and is a member of the investment committee of the Investment Manager. Prior to joining the Investment Manager in 2011, Mr. Kelleher was Senior Portfolio Manager of AXA Investment Managers, Inc. from 2001. He has held several positions as a Portfolio Manager and Analyst from 1992 to 2001 at Cardinal Capital Management, LLC, and Deltec Asset Management, LLC. Additionally, Mr. Kelleher

was the Assistant Vice President of Discount Corporation of New York from 1986 to 1992. Mr. Kelleher holds a Bachelor of Arts Degree in Mathematics from Amherst College.

### **Stefan Balog**

Mr. Balog is a Managing Director and Compliance Officer of the Principal Distributor. Prior to joining the Principal Distributor in 2014, Mr. Balog worked as Principal in a transversal role at State Street Global Advisors in Munich, Germany, where he focused on servicing clients, business development, and operational cross-border projects. His past experience includes business development at a Zurich-based venture capital firm and at Microsoft, Germany, where he managed a portfolio of German high-tech start-up firms. He holds a Master of Science degree in Corporate Finance and Investment with Distinction from London Metropolitan University and is a Chartered Financial Analyst (“CFA”) charterholder.

### **Philippe Descheemaeker**

Mr. Descheemaeker is a Managing Director of the Principal Distributor. Prior to joining the Principal Distributor in 2013, Mr. Descheemaeker served as Head of Fixed Income Product Specialists at AXA Investment Managers where he led a team with members located in Paris, London, Frankfurt and the US. Beginning his career at AXA IM in 2001, he previously served as a Portfolio Manager in the Euro-Aggregate Team and participated in the development of transversal investment solutions for a range of fixed income products. Mr. Descheemaeker was also an Assistant Portfolio Manager at AGF Asset Management. He holds a Master in Management Degree from HEC in Paris.

### **Gordon Eng**

Mr. Eng is the Chief Compliance Officer of the Investment Manager and also serves as General Counsel. Prior to joining the Investment Manager, from 2005 to 2011, Mr. Eng was associated with the New York law firms of Fried Frank Harris Shriver & Jacobson LLP and Debevoise & Plimpton LLP, where he focused on white collar, regulatory defense, and ERISA litigation of complex financial instruments. He has represented institutions and individuals in numerous matters concerning the financial services industry, including regulatory matters involving the SEC, the United States Department of Justice and other supervisory authorities. Prior to his legal career, Mr. Eng traded foreign currencies as a market maker, chief dealer and proprietary trader. Mr. Eng received his MBA in finance from New York University, Stern School of Business with honors and has been conferred a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania. Mr. Eng is a graduate of the Fordham University School of Law, *magna cum laude*, Order of the Coif, and is admitted to practice in New York and Connecticut.

### **Justin Egan**

Mr. Egan is Managing Director of Carne Global Financial Services Luxembourg, and acts as a Dirigeant (Conducting Person) and an Independent Director for a number of Luxembourg UCITS. Prior to joining the Carne Group in 2005, Mr. Egan was Head of Trustee Services and a Director of State Street Custodial Services (Ireland) Limited from 2003. From 2000 to 2003, he was a Director of State Street Fund Services (Ireland) Limited (formerly Deutsche International Fund Services (Ireland) Limited). He held several positions with State Street Fund Services (Ireland) Limited including Head of Market Data Services, Joint Head of Valuations

and Fund Accounting and Financial Controller. He qualified as a Chartered Accountant with KPMG and holds a Bachelor of Commerce Degree from University College, Dublin.

## **MANAGEMENT COMPANY**

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Pursuant to the Management Company Services Agreement, Lemanik Asset Management S.A. was appointed management company of the Company.

The Management Company is responsible on a day-to-day basis under the supervision of the Board of Directors, for providing administration, marketing, distribution, investment management and advisory services in respect of all the Sub-Funds and may delegate part or all of such functions to third parties.

The Management Company was incorporated in the form of a *société anonyme* for an indeterminate period on 1 September 1993. The Management Company has a capital of EUR 2,000,000.- (two million Euro).

The Management Company is governed by Chapter 15 of the Law of 2010 and, in this capacity, is responsible for the collective portfolio management of the Company. In accordance with appendix II of the Law of 2010, these duties encompass the following tasks:

### **(I) Asset Management**

Among others, the Management Company may:

- provide all advice and recommendations as to the investments to be made;
- enter into contracts, buy, sell, exchange and deliver all Transferable Securities and any other assets; and
- exercise, on behalf of the Company, all voting rights attaching to the Transferable Securities constituting the Company's assets.

### **(II) Administration**

- a) legal services and accounts management for the Company;
- b) follow-up of requests for information from clients;
- c) valuation of portfolios and calculation of the value of Shares (including all tax issues);
- d) verifying compliance with regulations;
- e) keeping the Register;
- f) allocating Company income,
- g) issue and redemption of Shares;
- h) winding-up of contracts (including sending certificates); and
- i) recording and keeping records of transactions.

### (III) Marketing.

The rights and obligations of the Management Company are governed by the Management Company Services Agreement. At the date of the present Prospectus, the Management Company also manages other undertakings for collective investment. The names of all other undertakings for collective investment managed by the Management Company from time to time are available at the registered office of the Management Company. The Company may terminate the Management Company Services Agreement upon 3 (three) months' written notice. The Management Company may resign from its duties provided it gives the Company 3 (three) months' written notice.

In accordance with the laws and regulations currently in force and with the prior approval of the Board of Directors, the Management Company is authorised to delegate, unless otherwise provided herein, all or part of its duties and powers to any person or company, which it may consider appropriate, it being understood that the Prospectus will be amended prior thereto and that the Management Company will remain entirely liable for the actions of such representative(s).

The Management Company has delegated the administration functions to the Administrator, the asset management function to the Investment Manager and the marketing function to the Principal Distributor.

Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as, but not limited to, shareholder complaints handling procedures, management of activities giving rise to detrimental conflict of interest, voting rights policy of the Management Company etc., shall be available at the registered office of the Management Company.

The Management Company receives periodic reports from the Investment Manager and the Company's other service providers to enable it to perform its monitoring and supervision duties.

### **INVESTMENT MANAGER**

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SKY Harbor Capital Management, LLC was appointed Investment Manager to the Company pursuant to the Investment Management Agreement. The Investment Manager manages the investment and reinvestment of the assets of the Sub-Funds in accordance with the investment objectives and restrictions of the Company, under the overall responsibility of the Board of Directors.

The Investment Manager is a U.S. registered investment adviser. It is a Delaware limited liability company headquartered in Greenwich, Connecticut providing portfolio management services in broad high yield and short duration high yield debt securities and bank loans.

The Investment Manager and/or its affiliates may make a significant investment in the Shares, which may be allocated among some or all of the various Sub-Funds. There is no assurance as to the amount or duration of such investment, and a redemption of this investment by the Investment Manager and/or its affiliates could have a negative impact on a Sub-Fund's investment performance or expenses.

## **CUSTODY AND ADMINISTRATION**

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J.P. Morgan Bank Luxembourg S.A. (“J.P. Morgan”) has been appointed as custodian of all of the Company’s assets, comprising securities, Money Market Instruments, cash and other assets. It may, in accordance with banking practice, entrust under the provision of the Global Custody Agreement, the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions, to correspondents. The Custodian is obligated to exercise reasonable care in the selection and supervision of correspondents and is responsible for the transfer of instructions or Company’s assets to the correspondents.

J.P. Morgan was incorporated as a *Société Anonyme* for an unlimited duration on 16 May 1973. On 31 December 2014, its capital reserves amounted to 1,109,510,148 U.S. Dollars. The principal activities of the Custodian are custodial and investment administration services.

As custodian and paying agent, J.P. Morgan has the duties set out in the Law of 2010, namely:

- a) ensure that the sale, issue, repurchase and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the Law of 2010 and the Articles of Incorporation;
- b) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- c) ensure that the income of the Company is applied in accordance with the Articles of Incorporation and the Law of 2010.

As the Administrator, J.P. Morgan is responsible for the general administrative functions required by Luxembourg law and for processing the issue, sale and switching of Shares, the calculation of the Net Asset Value of the Shares and the maintenance of accounting records.

In its capacity as Registrar and Transfer Agent, J.P. Morgan is responsible for the maintenance of the register of Shareholders, the safekeeping and disposition of Share certificates and for any services with regard to the dispatch of documents, e.g., statements, reports, or notices to Shareholders.

## **PRINCIPAL DISTRIBUTOR**

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The Management Company has appointed SKY Harbor Capital Management GmbH as Principal Distributor of the Company. The Principal Distributor will not receive subscription monies from or pay out redemption proceeds to Shareholders and will not accept applications for the issue, switching or redemption of Shares but may appoint sub-distributors to that effect. The sub-distributors will be established either in a FATF State or, if such is not the case, established in a State that is subject to acceptable anti-money laundering regulations. In case of a delegation to sub-distributors, the agreement between the Principal Distributor and any sub-distributor will be subject to and will comply with the provisions on anti-money laundering applicable to the Company. The sub-distributors will transmit all applications to the Registrar and Transfer Agent, which will administer the Company’s Risk-Based Approach to Anti-Money Laundering and Counter Terrorism Financing policy and procedures, as amended from time to time.

The Principal Distributor is incorporated in Germany and is a subsidiary of the Investment Manager.

The Principal Distributor holds a financial services license according to section 32 of the German Banking Act to conduct investment services, *i.e.*, providing (non-discretionary) investment advice (*Anlageberatung*) and arranging deals in investments (investment brokering) (*Anlagevermittlung*), in Germany. The Principal Distributor is neither authorised to acquire ownership nor possession of the monies or shares of the Shareholders and is also not permitted to buy or sell financial instruments for its own account.

The Principal Distributor has notified the German Federal Financial Supervisory Authority - BaFin - that it intends to also provide the financial services on a cross border basis into other Member States and accordingly is able to use the so called “EU passport” feature that is incorporated in the financial services license issued.

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### **AUDITORS**

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The Company has appointed Deloitte Audit, S.à.r.l. as auditors.

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### **INVESTMENT OBJECTIVES AND POLICIES**

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The investment objectives and policies of each Sub-Fund are set out in the relevant Appendix.

The Company may, in its sole discretion, alter investment objectives and policies for any Sub-Fund, provided that any material change in investment objectives and policies must be notified to Shareholders at least one month before its effective date and this Prospectus is updated accordingly.

Where an investment policy requires a particular percentage to be invested in a specific type or range of investments, such requirement will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares. In particular, in aiming to achieve a Sub-Fund’s investment objective, the Investment Manager, at its sole and absolute discretion, may make investments into other transferable securities than those in which a Sub-Fund is normally invested in order to mitigate a Sub-Fund’s exposure to market or liquidity risk.

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### **PROFILE OF THE TYPICAL INVESTOR**

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It is recommended that potential investors in the Sub-Funds seek independent financial advice before making their investment decision. The profile of the typical investor in each Sub-Fund is described in the Appendix of the relevant Sub-Fund.

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### **RISK PROFILE**

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The risks inherent in an investment in a Sub-Fund are mainly related to possible changes in the value of Shares which, in turn, are affected by the value of the financial instruments held by that Sub-Fund. An investor may lose money by investing in a Sub-Fund. The risk profile of each Sub-Fund is described in the Appendix of the relevant Sub-Fund.

## **DIVIDEND POLICY**

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Details of the distribution policy of each Class of each Sub-Fund are disclosed in the Appendix of the relevant Sub-Fund. No distribution may be made which would result in the net assets of the Company falling below the minimum provided for by Luxembourg law. Dividends not claimed within five years from their payment date will lapse and revert to the relevant Sub-Fund.

So far as dividends are paid, Shareholders should note that each Sub-Fund intends to operate income equalisation in respect of any Distribution Class. Income equalisation is an accounting mechanism used to ensure that any subscriptions/redemptions from the Class during the relevant period do not have any effect on the dividend per Share paid out.

## **RISK WARNINGS**

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In general, each Sub-Fund will be subject to the risks associated with fixed-income securities. For further risk considerations relating specifically to any Sub-Fund, please refer to the relevant sections in Appendices below.

### **General**

Investors should remember that the price of Shares of any of the Sub-Funds and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not a guide to future performance and, depending on each Sub-Fund's investment objectives, policies and strategies, a Sub-Fund should be regarded as a short- or long-term investment. Where a purchase involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Currency exchange rates may also cause the value of underlying overseas investments to go down or up.

For the purpose of the relations between the Shareholders of different Sub-Funds, each Sub-Fund is a separate entity with, but not limited to, its own contributions, redemptions, capital gains, losses, charges and expenses. Thus, liabilities of an individual Sub-Fund that remain undischarged will not attach to the Company as a whole, nor to any other Sub-Fund. However, while Luxembourg law states that, unless otherwise provided for in the constituent documentation for the Company, there is no cross-liability, there can be no assurance that such provisions of Luxembourg law will be recognised and effective in other jurisdictions.

### **Business Dependent Upon Key Individuals**

The success of the Company and each Sub-Fund is significantly dependent upon the expertise of key people within the Investment Manager and any future unavailability of their services could have an adverse impact on the Company and each Sub-Fund's performance.

### **ABS Risk**

ABS, including mortgage backed securities, are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets ("ABS Assets") of the relevant issuer or proceeds thereof. Consequently, holders of ABS including the Company must rely solely on distributions on the ABS Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on ABS (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the ABS Assets (or, in the case of a market

value ABS security - as explained hereinafter - proceeds from the sale of the ABS Assets) are insufficient to make payments on the ABS, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer of the related ABS security to pay such deficiency including to the Company will be extinguished.

With a market value ABS deal, principal and interest payments to investors come from both collateral cash flows as well as sales of collateral. Payments to tranches are not contingent on the adequacy of the collateral's cash flows, but rather the adequacy of its market value. Should the market value of collateral drop below a certain level, payments are suspended to the equity tranche. If it falls even further, more senior tranches are impacted. An advantage of a market value ABS is the added flexibility they afford the portfolio manager. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

ABS Assets are usually illiquid and private in nature. ABS Assets are subject to liquidity, market value, credit interest rate, reinvestment and certain other risks. ABS Assets are typically actively managed by an investment manager, and as a result ABS Assets will be traded, subject to rating agency and other constraints, by such investment managers. The aggregate return on the ABS Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of the ABS Assets.

The ABS Assets will be subject to certain portfolio restrictions. However, the concentration of the ABS Assets in any one security type subjects the holders of ABSs to a greater degree of risk with respect to defaults on the ABS Assets.

Prices of the ABS Assets may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the ABS Assets. In addition, the ability of the issuer to sell ABS Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant ABS.

### **Call/Extension Risk**

Call risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by a Sub-Fund earlier than expected. This may happen when there is a decline in interest rates. Under these circumstances, the Sub-Fund may be unable to recoup all of its initial investment and will also suffer from having to reinvest in lower yielding securities. Extension risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by a Sub-Fund later than expected. This may happen when there is a rise in interest rates. Under these circumstances, the value of the obligation will decrease, and the Sub-Fund will also suffer from the inability to invest in higher yielding securities.

### **CLO Risk**

In addition to normal risks associated with debt obligations and fixed income and/or asset-backed securities as discussed elsewhere in this Prospectus (e.g., credit risk, interest rate risk, market risk, default risk and leverage risk), CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments and one or more tranches may be subject to up to 100% loss of invested capital; (ii) the underlying collateral, which will typically be rated below investment

grade, may decline in value or default; (iii) the CLO portfolio may contain CLO securities that are subordinate to other classes of CLO securities; and (iv) situations may arise that due to the complex structure of CLO securities may produce disputes with the issuer, other CLO investors or otherwise produce unexpected investment results.

A CLO's investments in its underlying assets may be CLO Securities that are privately placed and thus are subject to restrictions on transfer to meet securities law and other legal requirements. In the event that a portfolio does not satisfy certain of the applicable transfer restrictions at any time that it holds CLO Securities, it may be forced to sell the related CLO Securities and may suffer a loss on sale. CLO Securities generally will be considered illiquid as there may be no secondary market for the CLO Securities.

### **Counter-Party Risk**

If a Sub-Fund enters into a repurchase agreement, an agreement where it sells a security in which the buyer agrees to re-sell the security at an agreed upon price and time, then the Sub-Fund is exposed to the risk that the other party (the "Counter-Party") will not fulfil its contract obligation. Similarly, the Sub-Fund would be exposed to the same risk if it were to engage in a reverse repurchase agreement where a broker-dealer agrees to sell securities and the Sub-Fund agrees to repurchase them at a later date. The Sub-Fund is also exposed to such a risk when it enters into OTC derivative transactions.

### **Credit Risk**

Credit risk involves the risk that an issuer of fixed-income securities held in a Sub-Fund (which may have low credit ratings) may default on its obligations to pay interest and repay principal, and the Sub-Fund will not recover its investment.

### **Cross-Class Liability**

The Classes within a Sub-Fund are not separate legal entities. Thus all of the assets of a Sub-Fund are available to meet all the liabilities of such Sub-Fund. In practice cross-class liability will only arise where any Class becomes insolvent and is unable to meet all its liabilities. In this case, all of the assets of a Sub-Fund may be applied to cover the liabilities of the insolvent Class.

### **Cross-Sub-Fund Liability**

For the purpose of the relations between the Shareholders of different Sub-Funds, each Sub-Fund will be deemed to be a separate entity with, but not limited to, its own contributions, redemptions, capital gains, losses, charges and expenses. Thus, liabilities of an individual Sub-Fund which remain undischarged will not attach to the Company as a whole, nor to other Sub-Funds. However, while Luxembourg law states that, unless otherwise provided for in the constituent documentation of the Company, there is no cross-liability, there can be no assurance that such provisions of Luxembourg law will be recognised and effective in other jurisdictions.

### **Currency Risk**

Certain Sub-Funds or certain Classes may be exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and

demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. The attention of the Shareholders is drawn to the fact that certain Sub-Funds have several Classes which distinguish themselves by, among other things, their Reference Currency and that, due to the hedging of currency risk in relation to one Class of Shares, the Net Asset Value of one or more other Classes may be affected. To manage currency exposure, a Sub-Fund may purchase currency futures or enter into forward currency contracts to “lock in” the U.S. Dollar or other reference currency price of the security. A forward currency contract involves an agreement to purchase or sell a specified currency for another specified currency at a specified future exchange rate set at the time of the contract. Similar to a forward currency contract, currency futures contracts are standardized for the convenience of market participants and quoted on an exchange. To reduce the risk of one party to the contract defaulting, the accrued profit or loss from a futures contract is calculated and paid on a daily basis rather than on the maturity of the contract. Use of hedging techniques, even on a passive currency overlay basis (meaning the service provider is not providing investment advice on the merits or suitability with respect to any particular currency transaction), cannot protect against exchange rate risk perfectly. Losses on foreign currency transactions used for hedging purposes may or may not be completely reduced by gains on the assets that are the subject of the hedge. The Company or its authorised service provider may also purchase a foreign currency on a spot basis in order to conduct its currency hedging activities. The Sub-Fund’s gains from its positions in foreign currencies may accelerate and/or recharacterize the Sub-Fund’s income or gains and its distributions to Shareholders. The Sub-Fund’s losses from such positions may also recharacterize the Sub-Fund’s income and its distributions to Shareholders and may cause a return of capital to the Shareholders. Currency hedging involves operationally-intensive processes and there is no guarantee that inaccuracies will not occur from time to time. In addition, costs and expenses include compensation to authorised service providers for passive currency overlay management services. All losses, costs, expenses, liabilities and claims incurred in properly and reasonably performing the currency hedging activities in connection with each Sub-Fund’s hedged share classes will be borne by Shareholders of the respective hedged share classes, except where such losses, costs, expenses, liabilities or claims are a direct result of fraud, gross negligence, wilful default, or material non-performance by the Company in performing the currency hedges.

### **Debt Securities Risk**

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of a debt instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities, including U.S. Government obligations. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in a Sub-Fund.

## **Derivatives Risk**

A Sub-Fund's ability to use derivatives may be limited by market conditions, regulatory limits and tax considerations. The use of derivatives involves special risks, which are described in detail in the section "Use of Derivatives" under the heading "TECHNIQUES AND INSTRUMENTS".

The term "derivatives" covers a broad range of investments, including futures, options and swap agreements (including credit default swaps). In general, a derivative refers to any financial instrument whose value is derived, at least in part, from the price of another security or a specified index, asset or rate. For example, a swap agreement is a commitment to make or receive payments based on agreed upon terms, and whose value and payments are derived by changes in the value of an underlying financial instrument. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the Investment Manager and/or Sub-Managers use derivatives to enhance a Sub-Fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the Sub-Fund. The success of the Investment Manager's and/or Sub-Managers' derivatives strategies will depend on its ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. A Sub-Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. In addition to those mentioned above, use of these strategies involves special risks, including:

1. dependence on the Investment Manager and/or Managers' ability to predict movements in the price of securities being hedged and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e., the loan margin deposits normally required in futures trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Sub-Fund; and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short-term obligations because a percentage of a Sub-Fund's assets will be segregated to cover its obligations.

Upon request by any Shareholder, information relating to the risk management methods employed for any Sub-Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such Shareholder by the Fund, the Investment Manager or the Sub-Managers.

## **Risk of Sovereign Default**

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

In particular, the Eurozone in recent years has undergone a collective debt crisis. Greece, Ireland and Portugal have received one or more “bailouts” from other members of the European Union, and it is not certain whether additional funding will again become necessary in the future. Investor confidence in other Member States, as well as European banks exposed to risky sovereign debt, if severely impacted, could threaten capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, some market participants may continue to harbor doubt that the level of resources being committed to such facilities will be sufficient to resolve a future crisis. Moreover, a lack of political consensus in the Eurozone concerning whether and how to restructure sovereign debt may also pose indeterminate risks. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the removal of a member state from the Eurozone, or even the abolition of the euro. Any such consequences could result in major losses to the Sub-Funds.

## **Geographic Concentration Risk**

The Company may invest in specific geographic regions and markets. Therefore, the performance of a Sub-Fund may be affected by economic downturns and other factors affecting the specific geographic regions in which the Sub-Fund invests.

A Sub-Fund is subject to potentially much greater risks of adverse events that occur in that region and may experience greater volatility than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, including conflicts and currency devaluations, even in countries in which a Sub-Fund is not invested, may adversely affect security values in other countries in the region and thus the Sub-Fund’s holdings.

## **Global Investments Risk**

With respect to certain countries, there is a possibility of expropriation or confiscatory taxation, imposition of withholding taxes on dividend or interest payments, limitations on the removal of funds or other assets of a Sub-Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than a country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

To the extent a Sub-Fund invests in sovereign debt obligations, risks not present in debt obligations of corporate issuers exist. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due in accordance with the terms of such debt, and the Sub-Fund may have limited recourse to compel payment in the event of a default. Periods of economic uncertainty may

result in volatility of market prices of sovereign debt, and in turn the Sub-Fund's Net Asset Value. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which a sovereign debtor may be subject.

### **High Yield Securities Risk**

High yield securities (sometimes referred to as "junk bonds") are debt securities that are rated below investment grade by internationally recognized credit rating organizations, are unrated and deemed by the Investment Manager to be below investment grade, or are in default at the time of purchase. These securities may be regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest and have a much greater risk of default (or in the case of bonds currently in default, of not returning principal) and may be more volatile than higher-rated securities of similar maturity. The risk of loss due to default by these issuers is significantly greater because high yield securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality investment-grade rated bonds. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the relevant Sub-Fund may experience losses and incur costs. The value of these securities can be affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these securities may be less liquid and more difficult to value than higher-rated securities. If an issuer of high yield securities calls the obligation for redemption, a Sub-Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by a Sub-Fund may decline more than a portfolio consisting of investment-grade securities of similar duration. If a Sub-Fund experiences unexpected net redemptions, it may be forced to sell its higher quality bonds, resulting in a decline in the overall credit quality of the securities held by the Sub-Fund and increasing the exposure of the Sub-Fund to the risks of lower quality securities.

Although a diversified portfolio may include a certain level of exposure to high yield bonds, an investment in any one high yield bond Sub-Fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.

### **Interest Rate Risk**

The Net Asset Value of a Sub-Fund may change in response to, among other things, fluctuations in interest rates. Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities. A rise in interest rates generally can be expected to depress the value of a Sub-Fund's

investments. Each Sub-Fund will be actively managed to mitigate interest rate risk, but it is not guaranteed to be able to accomplish its objective at any given period.

### **Issuer Risk**

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services. Such issuer-specific risk, often referred to as "idiosyncratic risk," can be mitigated through diversification. There is no assurance that any particular Sub-Fund may be entirely successful in mitigating idiosyncratic risk through its portfolio diversification efforts.

### **Leverage Risk**

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, repurchase agreements, loans of portfolios securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create a leveraging risk. The use of leverage may cause a Sub-Fund to liquidate portfolio positions when it may not be advantageous to do so. Leveraging, including borrowing, may cause a Sub-Fund to be more volatile than if the Sub-Fund had not been leveraged.

### **Liquidity Risk**

There is the risk that a Sub-Fund will not be able to pay redemption proceeds within the time period stated in the Prospectus because of unusual market conditions, such as a Liquidity Event, an unusually high volume of redemption requests, or other reasons. The market prices of securities owned by a Sub-Fund may be adversely affected and may decline in value due to a Liquidity Event over which the Investment Manager has no control.

### **Management Risk**

There is no guarantee that a Sub-Fund will meet its investment objective. Neither the Investment Manager nor any other party guarantees the performance of a Sub-Fund, nor do they assure that the market value of an investment in a Sub-Fund will not decline. No party will "make good" on any investment loss an investor may suffer, nor can anyone the Company contracts with to provide services, such as selling agents or other service providers, offer or promise to make good on any such losses.

### **Market Risk**

The market price of securities owned by a Sub-Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to a Liquidity Event, or due to general market conditions that are not specifically related to a particular company (such as real or perceived adverse economic conditions), changes in the general outlook for corporate earnings, interest or currency rates, or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. While equity securities generally have greater price volatility than debt securities, different parts of the market and different

types of securities can react differently to these risks. At times, debt securities may experience greater price volatility than equity or other securities.

### **Regional Risk**

The chance that an entire geographical region will be hurt by political, regulatory, market or economic developments or natural disasters may adversely impact the value of investments concentrated in the region. Additionally, a Sub-Fund with a regional focus may be more disproportionately and adversely impacted by regional developments than a Sub-Fund without a regional focus.

### **Regulatory Risk**

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated market might also permit inappropriate practices that adversely affect an investment or even an entire market sector.

### **Rule 144A Securities**

Subject to their respective investment policies and to the general restrictions set forth under the heading “INVESTMENT RESTRICTIONS”, a Sub-Fund may invest in so-called Rule 144A Securities, which are securities that are not registered in the U.S. under the U.S. Securities Act, but that can be sold in the U.S. to certain “qualified institutional buyers”. The Sub-Funds will only invest in such securities if sufficient liquidity exists, if they are eligible investments and if they are admitted to or dealt in on a Regulated Market.

### **Sector Emphasis Risk**

Investing a substantial portion of a Sub-Fund’s assets in related industries or sectors may have greater risks because companies in these sectors may share common characteristics and may react similarly to market or economic developments.

### **Smaller Company Securities Risk**

Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than securities of larger companies. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries and/or new technologies, which pose additional risks.

### **Swaps Risk**

Swaps are agreements to exchange payment streams over a period of time with another party, called a counterparty. Each payment stream is based on a specified rate, which could be a fixed or variable interest rate, the rate of return on an index or some other reference rate. The payment streams are calculated with reference to a hypothetical principal amount, called the notional principal or the notional amount. For example, in an interest rate swap one party may agree to pay a fixed interest rate to a counterparty and to receive in return variable interest rate payments from the counterparty. The amount that each party pays is calculated by multiplying the fixed and variable rates, respectively, by the notional amount. The payment streams may thus be thought of as interest payments on the notional amount. The notional amount does not actually

change hands at any point in the swap transaction; it is used only to calculate the value of the payment streams.

The primary risk of swap transactions is the creditworthiness of the counterparty, since the integrity of the transaction depends on the willingness and ability of the counterparty to maintain the agreed upon payment stream. This risk is often referred to as counterparty risk. If there is a default by a counterparty in a swap transaction, a Sub-Fund's potential loss is the net amount of payments the Sub-Fund is contractually entitled to receive for one payment period (if any - the Sub-Fund could be in a net payment position), not the entire notional amount, which does not change hands in a swap transaction. A Sub-Fund will have contractual remedies pursuant to a swap agreement but, as with any contractual remedy, there is no guarantee that the Sub-Fund would be successful in pursuing them — the counterparty may be judgment proof due to insolvency, for example. The Sub-Fund thus assumes the risk that it will be delayed or prevented from obtaining payments owed to it. The standard industry swap agreements do, however, permit the Sub-Fund to terminate a swap agreement (and thus avoid making additional payments) in the event that a counterparty fails to make a timely payment to the Sub-Fund.

In addition to counterparty risk, the use of swaps also involves risks similar to those associated with ordinary portfolio security transactions. If the Investment Manager is incorrect in its forecast of market values or interest rates, the investment performance of the Sub-Fund that has entered into a swap transaction could be less favorable than it would have been if this investment technique were not used. It is important to note, however, that there is no upper limit on the amount the Sub-Fund might theoretically be required to pay in a swap transaction.

A Sub-Fund will, consistent with industry practice, segregate and mark-to-market daily cash or other liquid assets having an aggregate market value at least equal to the net amount of the excess, if any, of the Sub-Fund's payment obligations over its entitled payments with respect to each swap contract. To the extent that the Sub-Fund is obligated by a swap to pay a fixed or variable interest rate, the Sub-Fund may segregate securities that are expected to generate income sufficient to meet the Sub-Fund's net payment obligations. For example, if the Sub-Fund holds interest rate swaps and is required to make payments based on variable interest rates, it will have to make increased payments if interest rates rise, which will not necessarily be offset by the fixed-rate payments it is entitled to receive under the swap agreement.

A Sub-Fund may enter into credit default swap (“CDS”) contracts to the extent consistent with its investment objectives and strategies. A CDS contract is a risk-transfer instrument (in the form of a derivative security) through which one party (the “purchaser of protection”) transfers to another party (the “seller of protection”) the financial risk of a default, bankruptcy, failure to pay, obligation acceleration, modified restructuring, or other agreed-upon event (each, a “Credit Event”), as it relates to a particular reference security or basket of securities (such as an index). In exchange for the protection offered by the seller of protection, the purchaser of protection agrees to pay the seller of protection a periodic premium. In the most general sense, the benefit for the purchaser of protection is that, if a Credit Event should occur, it has an agreement that the seller of protection will make it whole in return for the transfer to the seller of protection of the reference security or securities. The benefit for the seller of protection is the premium income it receives. The Sub-Fund might use CDS contracts to limit or to reduce the risk exposure of the Sub-Fund to defaults of the issuer or issuers of its holdings (i.e., to reduce risk when the Sub-Fund owns or has exposure to such securities). The Sub-Fund also might use CDS contracts to create or vary exposure to securities or markets or as a tax management tool.

CDS transactions may involve general market, illiquidity, counterparty, and credit risks. CDS prices may also be subject to rapid movements in response to news and events affecting the underlying securities. In addition, the CDS market for municipal securities is less mature than the CDS market for taxable fixed income securities. When a Sub-Fund is a seller of protection, the aggregate notional amount (typically, the principal amount of the reference security or securities) of the Sub-Fund's investments in the CDS contracts will be limited to 15% of its Net Asset Value when the Sub-Fund is selling protection on a security or purchasing protection on a security that the Sub-Fund does not own. As the purchaser or seller of protection, a Sub-Fund may be required to segregate cash or other liquid assets to cover its obligations under certain CDS contracts.

Where a Sub-Fund is a purchaser of protection, it will designate on its books and records cash or liquid securities sufficient to cover its premium payments under the CDS. To the extent that the Sub-Fund, as a purchaser of protection, may be required in the event of a credit default to deliver to the counterparty: (1) the reference security (or basket of securities); (2) a security (or basket of securities) deemed to be the equivalent of the reference security (or basket of securities); or (3) the negotiated monetary value of the obligation, the Sub-Fund will designate the reference security (or basket of securities) on its books and records as being held to satisfy its obligation under the CDS or, where the Sub-Fund does not own the reference security (or basket of securities), the Sub-Fund will designate on its books and records cash or liquid securities sufficient to satisfy the potential obligation. To the extent that a Sub-Fund, as a seller of protection, may be required, in the event of a credit default, to deliver to the counterparty some or all of the notional amount of the CDS, it will designate on its books and records cash or liquid securities sufficient to cover the obligation. Whether a CDS requires a Sub-Fund to cash settle its obligations or to net its obligations (i.e., to offset its obligations against the obligations of the counterparty), the Sub-Fund will designate on its books and records cash or liquid securities sufficient to cover its obligations under the CDS. All cash and liquid securities designated by the Sub-Fund to cover its obligations under CDS will be marked to market daily to cover these obligations.

As the seller of protection in a CDS contract, the Sub-Fund would be required to pay the par (or other agreed-upon) value of a reference security (or basket of securities) to the counterparty in the event of a Credit Event. If a Credit Event occurs, the Sub-Fund generally would receive the security or securities to which the Credit Event relates in return for the payment to the purchaser of the par value. Provided that no Credit Event occurs, the Sub-Fund would receive from the counterparty a periodic stream of payments over the term of the contract in return for this credit protection. In addition, if no Credit Event occurs during the term of the CDS contract, the Sub-Fund would have no delivery requirement or payment obligation to the purchaser of protection. As the seller of protection, the Sub-Fund would have credit exposure to the reference security (or basket of securities). The Sub-Fund will not sell protection in a CDS contract if it cannot otherwise hold the security (or basket of securities).

As the purchaser of protection in a CDS contract, the Sub-Fund would pay a premium to the seller of protection. In return, a Sub-Fund would be protected by the seller of protection from a Credit Event on the reference security (or basket of securities). A risk in this type of transaction is that the seller of protection may fail to satisfy its payment obligations to the Sub-Fund if a Credit Event should occur. This risk is known as counterparty risk and is described in further detail below.

If the purchaser of protection does not own the reference security (or basket of securities), the purchaser of protection may be required to purchase the reference security (or basket of

securities) in the case of a Credit Event on the reference security (or basket of securities). If the purchaser of protection cannot obtain the security (or basket of securities), it may be obligated to deliver a security (or basket of securities) that is deemed to be equivalent to the reference security (or basket of securities) or the negotiated monetary value of the obligation.

Each CDS contract is individually negotiated. The term of a CDS contract, assuming no Credit Event occurs, is typically between two and five years. CDS contracts may be unwound through negotiation with the counterparty. Additionally, a CDS contract may be assigned to a third party. In either case, the unwinding or assignment involves the payment or receipt of a separate payment by a Sub-Fund to terminate the CDS contract.

A significant risk in CDS transactions is the creditworthiness of the counterparty because the integrity of the transaction depends on the willingness and ability of the counterparty to meet its contractual obligations. If there is a default by a counterparty who is a purchaser of protection, the Sub-Fund's potential loss is the agreed upon periodic stream of payments from the purchaser of protection. If there is a default by a counterparty that is a seller of protection, the Sub-Fund's potential loss is the failure to receive the par value or other agreed upon value from the seller of protection if a Credit Event should occur. As with any contractual remedy, there is no guarantee that the Sub-Fund would be successful in pursuing such remedies. For example, the counterparty may be judgment proof due to insolvency. The Sub-Fund thus assumes the risk that it will be delayed or prevented from obtaining payments owed to it.

### **U.S. Government Obligations Risk**

U.S. Government obligations include securities issued by the U.S. Treasury, U.S. Government agencies or government sponsored entities. While U.S. Treasury obligations are backed by the “full faith and credit” of the U.S. Government, securities issued by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government. The Government National Mortgage Association (“GNMA”), a wholly owned U.S. Government corporation, is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or the Department of Veterans Affairs. Government-sponsored entities (whose obligations are not backed by the full faith and credit of the U.S. Government) include the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FHLMC”). Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the U.S. Government. FHLMC guarantees the timely payment of interest and ultimate collection or scheduled payment of principal, but its participation certificates are not backed by the full faith and credit of the U.S. Government. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of a Sub-Fund that holds securities issued or guaranteed by the entity will be adversely impacted. U.S. Government obligations are subject to low but varying degrees of credit risk, and are still subject to interest rate and market risk.

### **U.S. Withholding Tax**

The Company (and each Sub-Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements (known as “FATCA”) designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company

(and each Sub-Fund) to U.S. withholding taxes on certain U.S.-sourced income and gains. Pursuant to an intergovernmental agreement between the United States and Luxembourg, the Company (and each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Reportable Account information directly to the Luxembourg tax authorities. Shareholders may be requested to provide additional information to the Company to enable the Company (and each Sub-Fund) to satisfy these obligations. Failure to provide requested information may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (and each Sub-Fund). The administrative cost of compliance with FATCA may cause the operating expenses of the Company (and each Sub-Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (and each Sub-Fund) to provide to the U.S. Internal Revenue Service private and confidential information relating to certain investors. *See* section headed "Foreign Account Tax Compliance Act" for more information.

### **Risk of Failure to Produce the Intended Results**

There is the risk that a strategy used by the Investment Manager may fail to produce the intended results.

## **CONFLICTS OF INTEREST**

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The Company has established, implemented and maintains an effective conflicts of interest policy. The Company keeps at its office and regularly updates a record of the types of the circumstances, if any, which may give rise to a conflict of interest. The Company will disclose situations, if any, where the organisational or administrative arrangements made by the Company to manage conflicts of interest were deficient. In the course of its operations, the Company may carry out transactions with related parties which have, directly or indirectly, an interest which is in conflict with that of the Company, owing to the occurrence, whether simultaneously or at separate times, of one or more of the following circumstances and/or relationships:

- existence of a group relation between the Company and the entity that has set up, manages and/or promotes an undertaking for collective investment in which the Company has invested in;
- simultaneous performance of the management activities for several undertakings for collective investment and/or of collective portfolio or individual asset management services;
- investment in other undertakings for collective investment or other financial instruments managed by the Investment Manager; and
- presence in the issuer's governing and supervisory bodies of persons related to the Company's group.

In order to mitigate any conflict of interest as above, the Company must:

- invest in units of Related UCIs only if, based on the Investment Manager’s evaluation, they are equivalent to or better than similar unrelated undertakings for collective investment;
- avoid duplication of fees if a Sub-Fund’s assets are invested in Related UCIs (see Section VI(c), under the heading “INVESTMENT RESTRICTIONS”);
- adopt specific organizational procedures to limit the occurrence of conflicts of interest;
- adopt specific procedures to prevent it from receiving economic benefits that are not helpful or necessary to assist the Company in the performance of its collective portfolio management activity; and
- adopt a code of conduct to prevent employees and related parties from obtaining any form of remuneration from the issuers of the financial instruments the Company invests in.

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## ISSUE OF SHARES

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Under the Articles of Incorporation, the Board of Directors has the power to issue Shares corresponding to different Sub-Funds, each consisting of a portfolio of assets and liabilities. Within each Sub-Fund, the Board of Directors may issue different Classes with different characteristics, such as different fee structures (including different fees payable to third party distributors), different minimum and subsequent amounts of investment or minimum holding requirements, or different currencies of denomination. The Classes available for each Sub-Fund are indicated in the relevant Appendix.

If it appears at any time that a holder of Shares of a Sub-Fund or Class reserved to Institutional Investors is not an Institutional Investor, the Board of Directors will switch the relevant Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors or compulsorily redeem the relevant Shares. The Board of Directors will refuse to give effect to any transfer of Shares and consequently refuse any transfer of Shares to be entered into the register of Shareholders in circumstances where such transfer would result in a situation where Shares of a Sub-Fund or Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualifying as an Institutional Investor. Investors should further refer to article 8 of the Articles of Incorporation.

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

The eligibility requirements applicable to Shareholders, as set forth in this Prospectus, are collectively referred to as the “Eligibility Requirements.” Although the Shares are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Company), the Eligibility Requirements will nevertheless apply to any party to which Shares are transferred on the Luxembourg Stock Exchange. The holding at any time of any Shares by a

party which does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Shares by the Company.

The Company may issue further Sub-Funds or Classes. The Prospectus will be updated as new Sub-Funds or different Classes are issued. The Company may also revise, amend, or modify existing Sub-Funds or Classes.

Shares may normally be bought from or sold to the Company at buying and selling prices based on the Net Asset Value of the relevant Shares. The Subscription Price is set out below under the heading “BUYING SHARES” and the Redemption Price is set out below under the heading “SELLING SHARES.” Shares are available in registered form without certificates. Fractions of Shares will be issued in denominations of up to two decimal places. Fractions of Shares will not carry any voting rights but will participate pro rata in all distributions made.

The Company may not issue warrants, options or other rights to subscribe for Shares to its Shareholders or to other persons.

**Acceptance of Applications and Mandatory Redemptions:** Notwithstanding anything to the contrary in this Prospectus, the Company may reject any application in whole or in part for any reason whatsoever, and the Company does not incur any liability as a result. If an application is rejected, the application monies or balance thereof will be, subject to applicable laws, returned at the risk of the applicant and without interest as soon as reasonably practicable at the cost of the applicant. In such event the Company is not required to provide the applicant with an explanation, but may choose to do so in its sole discretion. Additionally, the Company may redeem the Shares of any Shareholder, in whole or in part, at any time or not less than 30 days’ written notice provided that the Company determines such action is in the best interest of the remaining Shareholders.

**Anti-Money Laundering:** Pursuant to the Luxembourg laws of 19 February 1973 to combat drug addiction, as amended, of 5 April 1993, relating to the financial sector, as amended, and of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, as well as the relevant circulars and regulations of the CSSF (especially CSSF Regulation N° 12-02, CSSF Circular 13/556 and any CSSF regulation or circular amending, supplementing or replacing them), obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering purposes. Within this context measures to ensure the identification of investors have been imposed.

**Late Trading:** Late trading is illegal and violates the provisions of this Prospectus. The Board of Directors will implement reasonable measures to ensure that late trading does not take place. The effectiveness of these procedures is closely monitored.

**Market Timing Policy:** The Company does not knowingly allow investments to be made which are associated with market timing practices, as such practices may adversely affect the interests of all Shareholders.

As per CSSF Circular 04/146, market timing is defined as an arbitrage method through which an investor systematically subscribes and redeems or switches units or shares of the same undertaking for collective investment 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 funds of the undertaking for collective investment.

Opportunities may arise for the market timer either if the Net Asset Values of the Sub-Funds are calculated on the basis of market prices which are no longer up to date (stale prices) or if the Sub-Funds accept orders on a Business Day after calculating the Net Asset Value for that Business Day.

Market timing practices are not acceptable as they may affect the performance of a Sub-Fund through an increase in costs and/or dilution in Net Asset Value. The Sub-Funds are not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of a Sub-Fund as an excessive or short-term trading vehicle are not permitted.

While recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Board of Directors, in its sole discretion may, if it deems that such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

Accordingly, if the Company determines or suspects that a Shareholder has engaged in such activities, the Company may apply a charge of up to 1% of the Net Asset Value of the Shares being subscribed, redeemed or switched and may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or switching applications and take any action or measures as appropriate or necessary to protect the Company and the Shareholders.

## **CLASSES OF SHARES**

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The Directors are authorised without limitation to issue Shares of any Class at any time within each Sub-Fund. Upon creation of new Classes, the Prospectus will be updated accordingly.

Details regarding the Classes per Sub-Fund and their features are disclosed in the relevant Appendix. The net proceeds from the subscriptions into the Class or Classes of the separate Sub-Funds are invested in the specific portfolio of assets constituting the relevant Sub-Fund. The Board of Directors will maintain for each Sub-Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Each Class may, as more fully described for each Sub-Fund in the relevant Appendices, (i) have a different currency of denomination; (ii) be targeted to different types of investors, *i.e.*, retail investors and Institutional Investors; (iii) have different minimum and subsequent investment requirements and minimum holding requirements; (iv) have a different fee structure; (v) have a different distribution policy; (vi) have a different distribution channel; or (vii) be available to certain intermediaries only in certain jurisdictions.

Hedged Classes of a Sub-Fund will be hedged against the Reference Currency of that Sub-Fund, with the objective of minimizing currency risk exposure. While the relevant Sub-Fund will attempt to hedge this risk, there can be no guarantee that it will be completely successful in doing so. This activity may increase or decrease the return to investors in those Classes. *See* the section Currency Risk under the heading "RISK WARNINGS" for further information.

## BUYING SHARES

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The Shares of each Sub-Fund may be subscribed for at the Registrar and Transfer Agent as well as at other banks, sub-distributors and financial institutions authorised to that end (as indicated in the subscription form). Investors must fill out and sign the subscription form available at the Registrar and Transfer Agent, agents, banks and financial institutions. Subscriptions are subject to acceptance by the Board of Directors in whole or in part in its sole discretion without liability and without explanation. The Company may also accept subscriptions transmitted via electronic means, such as fax.

Properly completed subscription applications for Shares must be received and approved by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end by the Dealing Deadline. Subscription applications received and approved or deemed to be received and approved by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end on a day which is not a Business Day or after the Dealing Deadline will be deemed to have been received on the next Valuation Day.

Applicants wishing to subscribe for Shares must complete in all respects a subscription application and send it to the Registrar and Transfer Agent or to other banks, sub-distributors and financial institutions authorised to that end together with all required identification documents. Should such documents not be provided, or provided in incomplete form, the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end will request such information and documentation as is necessary to verify the identity of an applicant. Shares will not be issued until such time as the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end have received and are satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such documentation or information may result in a delay of the subscription process or a cancellation of the subscription request. The Company bears no liability whatsoever for delay or other consequences arising from incomplete subscription applications.

In addition to the Subscription Price, taxes and stamp duties may need to be paid by Shareholders in certain countries where the Shares are offered.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid to the Paying Agent as specified for each Sub-Fund in the relevant Appendix. However, a subscriber may, with the agreement of the Registrar and Transfer Agent, effect payment to the Paying Agent in any other freely convertible currency. The Registrar and Transfer Agent will arrange, on the Valuation Day concerned, for any necessary currency transaction to convert the subscription monies from the currency of subscription into the Reference Currency of the relevant Class. Any such currency transaction will be effected at the subscriber's cost and risk. Currency exchange transactions may however delay any issue of Shares since the Registrar and Transfer Agent may choose, in its sole discretion, to delay the execution of any foreign exchange transaction until cleared funds have been received by it.

The Board of Directors reserves the right to accept subscriptions by way of *in specie* transfer of assets. In exercising their discretion, the Board of Directors will take into account the investment objective, philosophy and approach of the relevant Sub-Fund and whether the proposed *in specie* assets comply with those criteria including the permitted investments of that Sub-Fund. In order for Shares in the Sub-Fund to be issued further to an *in specie* subscription,

the transfer of the legal ownership of the assets to the Sub-Fund must have been completed and the assets in question must have already been valued. In the specific case of an *in specie* transfer of shares or units of a UCITS or other UCI, Shares will only be issued after the name of the Company has been officially entered into in the register of shareholders or unitholders of the relevant UCITS or other UCI and the shares or units of the UCITS or other UCI have been valued on the basis of the next net asset value to be calculated after the aforementioned entry.

Any *in specie* subscription that meets the investment criteria will be valued by the auditors of the Company. Upon receipt of that verification and a properly completed subscription application, the Administrator will allot the requisite number of Shares in the normal manner. The Board of Directors reserves the right to decline to register any person on the register of Shareholders until the subscriber has been able to prove title to the assets in question. The subscriber is responsible for all custody and other costs involved in changing the ownership of the relevant assets unless the Board of Directors otherwise agrees in writing that it is in the interest of the relevant Sub-Fund to bear some or all of the custody and other costs involved in changing the ownership of the relevant assets.

The relevant confirmations of the registration of the Shares are delivered by the Registrar and Transfer Agent as soon as reasonably practicable and normally within three Business Days following the relevant Valuation Day. Subscribers should always check this confirmation to ensure that the registration has been accurately recorded. This will also include a personal account number which, together with the Shareholder's personal details, is proof of its identity to the Company.

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.

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

If timely payment for Shares is not made (or if a properly completed subscription form is not received for an initial subscription), the application for Shares may be deemed null and void and Shares previously allotted may be cancelled. This may also result in the Management Company and/or the Company and/or any relevant distributor billing the defaulting subscriber or its financial intermediary for any costs or losses incurred by the Management Company and/or the Company and/or a Sub-Fund and/or any relevant distributor, deducting any such costs or losses against any existing holding of the subscriber in the Company or against any subscription monies already received, or bringing an action against the defaulting subscriber or its financial intermediary. Any money returnable to the subscriber will be held by the Company without payment of interest.

The Board of Directors may at any time, in its sole discretion, temporarily suspend, definitely cease or limit the issue of Shares to persons, companies, or entities that reside or are domiciled in certain countries and territories or exclude them from subscribing for Shares, if such measure is considered appropriate to protect the Shareholders or the Company, or to comply with the government regulations.

The minimum subscription and minimum holding amounts for each Sub-Fund (or, if more than one Class has been issued in a Sub-Fund, for each Class) are specified in the relevant Appendix.

The Board of Directors may set different levels for minimum subscription and minimum holding amounts for investors in certain countries for investment in different Classes of each Sub-Fund, if the Board of Directors decides to introduce this facility. The Board of Directors may, in its sole discretion, waive minimum subscription and minimum holding amounts for each Class.

For the same reasons, but always in accordance with the Articles of Incorporation, the Board of Directors may provide for specific payment arrangements for investors in certain countries. In both cases an adequate description will be made available to investors in the relevant countries together with the Prospectus.

### **Subsequent Subscriptions**

Upon initial subscription, each Shareholder shall be issued a personal account number, which should be used by the Shareholder for all future dealings with the Company, a correspondent bank, the Administrator, the Registrar and Transfer Agent, the Principal Distributor and any sub-distributor. Any changes to the Shareholder's personal details or loss of account number must be notified immediately to the Registrar and Transfer Agent, the Principal Distributor or the relevant sub-distributor, who will, if necessary, inform the Registrar and Transfer Agent in writing. Failure to do so may result in delays when processing applications for the purchase, redemption or switching of Shares. Investors are required to fill out an additional application (in the form required by the Company) for Shares upon each subsequent subscription.

Shareholders are informed that their personal data or the information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection, as amended.

By the subscription for or purchase of Shares, the Shareholder accepts that the entries in the register of Shareholders of the Company may be used by the Investment Manager, Distributors, Sub-Distributors, or other Company service providers for the purpose of shareholder servicing. The Shareholder also accepts that the Company and/or the Registrar and Transfer Agent, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons, U.S. Taxpayers and/or non-participant foreign financial institutions to the Luxembourg Tax Authorities and/or the U.S. Internal Revenue Service. The Shareholder further accepts that the Company and/or the Registrar and Transfer Agent, for the purpose of CRS compliance, may be required to disclose personal data relating to Shareholders and/or financial institutions from participating jurisdictions to the Luxembourg Tax Authorities. See section in this Prospectus entitled "European Tax Considerations" for additional information on the CRS.

Likewise, Shareholders agree and consent by their subscription for or purchase of Shares that their telephone conversations with the Investment Manager, Distributors, or other Company service providers may be recorded.

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## **SELLING SHARES**

The Shareholders may at any time exit the Company by addressing to the Registrar and Transfer Agent or to other banks, sub-distributors and financial institutions authorised to that end, an irrevocable application for redemption (in whole or in part).

As noted elsewhere in this Prospectus, the Company may redeem the Shares of any Shareholder, in whole or in part, at any time or not less than 30 days' written notice provided that the Company determines such action is in the best interest of the remaining shareholders. Redemption proceeds shall be paid in accordance with the provisions of this Prospectus. Under no circumstances is the Company liable to a Shareholder for any direct or consequential damages as a result of such mandatory redemption.

Redemption applications must be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end by the Dealing Deadline. Redemption requests received or deemed to be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end on a day which is not a Business Day or after the Dealing Deadline will be deemed to have been received on the next Valuation Day.

Instructions for partial redemptions may be refused if to redeem would result in the investor having an aggregate residual holding of less than the minimum holding indicated for each Class of Shares in the Appendices, if any. Alternatively, the Shareholder will, at the discretion of the Company, with due regard to the principle of fair and equitable treatment of Shareholders, be deemed to have requested a redemption of all his/her Shares of that Sub-Fund (or, if applicable, of that Class).

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, no redemption fee will be charged. However, the amount reimbursed may be reduced by costs, taxes and stamp duties which may be payable at the time.

The Redemption Price of Shares presented for redemption will be paid within the time frame specified in the relevant Appendix. On payment of the Redemption Price, the corresponding Shares will be cancelled immediately in the Company's Share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged.

The Redemption Price may be higher or lower than the subscription price paid at the date of issue of the Shares in accordance with changes in a Sub-Fund's Net Asset Value.

A confirmation statement will be sent to the relevant Shareholder (or third party as requested by the Shareholder), detailing the redemption proceeds due as soon as reasonably practicable after the Redemption Price has been determined.

Shareholders should note that they might be unable to redeem Shares through a distributor (if applicable), on days during which such distributor is not open for business.

Payment for Shares redeemed will be effected in the Reference Currency of the relevant Class on or after the relevant Valuation Day (as specified in the relevant Appendix), unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

If necessary, the Registrar and Transfer Agent will arrange the currency transaction required for the conversion of the redemption monies from the Reference Currency of the relevant Class

into the relevant redemption currency. Such currency transaction will be effected with the Custodian or a distributor, if any, at the redeeming Shareholder's cost and risk.

If the sale (or switching out) of Shares in a Sub-Fund or in a Class on any Valuation Day exceeds 10% of the Net Asset Value of that Sub-Fund or that Class in issue that Valuation Day, the Sub-Fund may restrict the number of sales (and switches out) to 10% of the Net Asset Value of that Sub-Fund or that Class in issue on that Valuation Day. To safeguard the interests of the Shareholders, this limitation will apply to all Shareholders who have requested the sale (or switching out) of their Shares in a Sub-Fund or a Class on a Valuation Day pro rata of the Shares in the Sub-Fund or the Class tendered by them for sale (or switching out). Any sales (or switches out) not carried out on that Valuation Day will be carried forward to the next Valuation Day. They will be dealt with on that Valuation Day under the same limitations, and in priority according to the date of receipt of the application for sale (or switch out). If selling (or switching out) requests are carried forward, the Company will inform the Shareholders affected thereby.

The redemption of the Shares may be suspended by decision of the Board of Directors, in the cases mentioned under the heading "TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE" or by decision of the Luxembourg supervisory authority when required in the interest of the public or of the Shareholders and, in particular, when the legal, regulatory or contractual provisions concerning the activity of the Company have not been complied with.

The Board of Directors may, at the request of a Shareholder, elect to satisfy a redemption in whole or in part by way of the transfer *in specie* of assets of the Company. The Board of Directors will ensure that the transfer of assets *in specie* in cases of such redemptions will not be detrimental to the remaining Shareholders of the Sub-Fund by pro-rating the redemption *in specie* as far as possible across the entire portfolio of securities. Such *in specie* redemptions will be subject to a special audit report by the auditors of the Company confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be transferred in counterpart of the redeemed Shares. This audit report will also confirm the way of determining the value of the assets which will have to be identical to the procedure for determining the Net Asset Value of the Shares. The specific costs for such redemptions *in specie*, in particular the cost of the special audit report will be borne by the redeeming Shareholder.

No third party payments will be made.

If the Company discovers at any time that a person, who is precluded from holding Shares in a Sub-Fund, such as a U.S. Person or a non-Institutional Investor (if applicable), either alone or in conjunction with any other person, whether directly or indirectly, is a beneficial or registered owner of Shares, the Company may, in its sole discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice, and upon redemption, the person who is precluded from holding Shares in the Company 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 person who is precluded from holding Shares in the Company.

The Company may further cause Shares to be redeemed if such Shares are held by/or for the account and/or on behalf of (i) a person that does not provide the necessary information requested by the Company in order to comply with legal and regulatory rules such as but not

limited to the FATCA provisions or (ii) a person who is deemed to cause potential financial risk for the Company.

## **SWITCHING OF SHARES**

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Except as otherwise provided for in the relevant Appendix of any Sub-Fund, any Shareholder may request the switch of all or part of his Shares of one Class into Shares of another Class of the same Sub-Fund. Switches into Class A Shares and Class B Shares are only permitted for Institutional Investors.

Unless otherwise provided for in the relevant Appendix of the Sub-Fund, such switch may be made free of charge except for ancillary transaction fees or charges. Applications for switching are subject to acceptance by the Board of Directors in whole or in part in its sole discretion without liability or explanation in the case where acceptance is rejected.

Shareholders must fill out and sign an irrevocable application for switching that must be addressed with all the switching instructions to the Registrar and Transfer Agent or to other banks, sub-distributors or financial institutions authorised to that end.

If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund (or, if more than one Class has been issued in a Sub-Fund, of that Class) falls below the minimum holding amount specified for that Sub-Fund in the relevant Appendix, then the Shareholder will, at the discretion of the Company, with due regard to the principle of fair and equitable treatment of Shareholders, be deemed to have requested the switching of all of his Shares of that Sub-Fund (or, if applicable, of that Class).

Unless otherwise provided for in the relevant Appendix, the switching is performed on the basis of the Net Asset Values of the Classes concerned on the day the switching application is received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end, provided that such day is a Valuation Day for both of the Classes involved in the switching and the switching application has been received before the Dealing Deadline for both of the Classes involved in the switching. If such day is not a Valuation Day for both of the Classes involved in the switching, or if the switching application is received after the Dealing Deadline for one or both of the Classes involved in the switching, the switching shall be performed on the basis of the Net Asset Values of the Shares of the Classes concerned on the day next following the receipt of the switching application by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end that is a Valuation Day for both of the Classes involved in the switching. Shares may not be switched if the determination of the Net Asset Value of one of the relevant Sub-Funds is suspended.

A switching order may require the conversion of currency from one Sub-Fund to another. In such event, the number of Shares of the New Sub-Fund obtained on a switching will be affected by the net foreign currency exchange rate, if any, applied to the switching. Notwithstanding anything to the contrary herein, switching orders shall generally be settled in the same manner as subscription and redemption orders.

The rate at which shares in a given Sub-Fund or Class (the “Initial Sub-Fund”) are switched into Shares of another Sub-Fund or Class (the “New Sub-Fund”) is determined by means of the following formula:

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

A is the number of Shares of the Initial Sub-Fund subject to the switching order;

B is the Net Asset Value per Share of the Initial Sub-Fund;

C is the switching fee per Share, if any;

D is the Net Asset Value per Share of the New Sub-Fund;

E is the currency exchange rate (prevailing in Luxembourg) between the currency of the Initial Sub-Fund and the currency of the New Sub-Fund. If the currency of the Initial Sub-Fund and the currency of the New Sub-Fund are the same, E will be equal to 1;

F is the number of Shares of the New Sub-Fund obtained in the switching.

A confirmation statement will be sent to the relevant Shareholder (or third party as requested by the subscriber), detailing the switching transactions as soon as reasonably practicable after the Redemption and Subscription Prices of the Shares being switched has been determined. Shareholders should check this statement to ensure that the transactions have been accurately recorded.

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## **FEES AND EXPENSES**

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### **Sales Charges**

#### **Initial Sales Charge**

Shares of certain Classes are offered at the applicable Net Asset Value per Share plus an initial charge, the amount of which is specified in the relevant Appendix for each Sub-Fund. Initial sales charges may vary and therefore may be less than any specified maximum amount depending on the country in which Shares are offered, the bank, sub-distributor or financial institution through whom Shares are purchased, and/or the amount of Shares purchased and/or held. Initial sales charges may be imposed and retained by any such bank, sub-distributor or financial institution or may be imposed by the Principal Distributor or a Sub-Fund and paid to any such bank, sub-distributor or financial institution through whom Shares are purchased.

#### **Redemption Charge**

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, the Shares of all Classes will have no exit charge on redemption.

#### **Switching Fee**

Unless otherwise provided for in the relevant Appendix of the Sub-Fund, no fees apply to switches of Shares within different Classes of the same Sub-Fund.

## **Other Charges**

The specific fees payable by a Sub-Fund, including the fees paid to the Investment Manager, are fixed for each Sub-Fund in its Appendix.

The Investment Manager, Principal Distributor, and their affiliates may pay a portion of their fees or other assets to third party entities (in particular advisers, sub-distributors, platforms, clearing agents and service providers) that assist the Investment Manager or Principal Distributor in the performance of their duties (including in connection with the sale of Shares) or provide certain administrative or onboarding services, directly or indirectly, to the Sub-Fund or the Shareholders. In return for these payments, the Sub-Fund may receive certain marketing or servicing advantages including, without limitation, providing “shelf space” for the placement of the Sub-Funds as investment options to an intermediary’s clients, and granting access to sales personnel of the financial intermediary. The fees of the Principal Distributor are borne by the Investment Manager, unless otherwise provided for in the relevant Appendix of a Sub-Fund.

Additionally, the Investment Manager may, at its discretion, contribute from its own assets towards the expenses attributable to the establishment and/or operation of the Company (or any particular Sub-Fund) and/or the marketing, distribution and/or sale of Shares. The Investment Manager may, from time to time, waive any or all of its fees with respect to certain Classes or use part of its investment management fee to remunerate or otherwise pay fees to certain financial intermediaries, platforms, and/or introducing parties.

Notwithstanding the foregoing, certain sub-transfer agency, clearing and administrative fees are to be borne out of the assets of the Sub-Funds if properly invoiced.

### **Custodian Fee**

Under the Global Custody Agreement, the Custodian receives annual safekeeping and servicing fees, according to the agreed schedule with the Company in respect of each Sub-Fund, the rates for which vary according to the country of investment and, in some cases, according to the Class. The custodian fee is payable at the end of each month by the Sub-Fund in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day’s Net Asset Value and the number of transactions processed during that month. The custodian fee is calculated by the agreed schedule and shall not exceed 0.01% per annum of the Net Asset Value of each Sub-Fund. To the extent that the actual expenses on such invoices exceed the above percentage during any financial year, such excess amount will be paid by the Investment Manager.

### **Administrative Fee**

Under the Administration Agreement, the Administrator receives annual administrative fees, according to the agreed schedule with the Sub-Fund in respect of each Sub-Fund, the rates for which vary according to the country of investment and, in some cases, according to Class. The administrative fee is payable at the end of each month by the Sub-Fund in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day’s Net Asset Value and the number of transactions processed during that month. The administrative fee is calculated by the agreed schedule and shall not exceed 0.05% per annum of the Net Asset Value of each Sub-Fund. To the extent that the actual expenses on such invoices exceed the above percentage during any financial year, such excess amount will be paid by the Investment Manager.

### Management Company Fee

The Company will pay the Management Company a fee which will not exceed 0.02% per annum of the net assets of the Fund. The fee payable is subject to a minimum annual fee of 25,000 Euro per Sub-Fund.

### Formation Costs

The costs and expenses of the formation of the Company will be borne by the Company and amortised over a period not exceeding five years. The formation costs of any new Sub-Fund will be borne by the relevant Sub-Fund and amortised over a period not exceeding five years.

### Operational Expenses

The Company will pay out of its assets certain other costs and expenses incurred in its operation (see Section B(v) under the heading “DETERMINATION OF THE NET ASSET VALUE OF SHARES”).

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## **SOFT COMMISSION ARRANGEMENTS**

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The Investment Manager may, in circumstances in which two or more broker-dealers are in a position to offer comparable results for a portfolio transaction, give preference to a broker-dealer that has provided statistical or other research services to the Investment Manager. In selecting a broker-dealer under these circumstances, the Investment Manager will consider, in addition to the factors listed above, the quality of the research provided by the broker-dealer. The Investment Manager may cause a Sub-Fund to pay higher commissions or wider bid-offer spreads than those obtainable from other broker-dealers in exchange for such research services. The research services generally include: (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the advisability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto. By allocating transactions in this manner, the Investment Manager is able to supplement its research and analysis with the views and information of securities firms. Information so received will be in addition to, and not in lieu of, the services required to be performed by the Investment Manager under the advisory contract, and the expenses of the Investment Manager will not necessarily be reduced as a result of the receipt of this supplemental research information. Furthermore, research services furnished by broker-dealers through which the Investment Manager places securities transactions for a Sub-Fund may be used by the Investment Manager in servicing its other accounts, and although not all of these services may be used by the Investment Manager in connection with advising the Sub-Funds, they will always be in the interest of the Sub-Funds.

Employees of the Investment Manager will not enter in their own name into soft commission arrangements. The amounts of the soft commissions will be disclosed in the audited report of the Company.

## INVESTMENT RESTRICTIONS

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The Company has the following investment powers and restrictions:

I. (1) The Company may invest in:

- a) Transferable Securities and Money Market Instruments admitted to or dealt in on an Eligible Market;
- b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
- c) units of UCITS and/or other UCIs within the meaning of Art. 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a Member State or not, provided that:
  - such other UCIs have been authorised under the laws of any Member State or under the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States of America;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an OECD member state and a FATF State;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
  - under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives;
  - the underlying consists of instruments covered by this section I., financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

- f) Money Market Instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - g) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
    - issued by an undertaking any securities of which are dealt in on Regulated Markets; or
    - issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF State; or
    - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that set forth in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the 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 securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (I) above.

(3) Each Sub-Fund may invest in one or more other Sub-Funds subject to the conditions laid down in the Law of 2010, in the Articles of Incorporation and in the relevant Appendix.

II. The Company may hold ancillary liquid assets.

- III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities or Money Market Instruments issued by the same issuing body.
  - (ii) The Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net

assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

- b) Moreover, where the Company holds investments on behalf of a Sub-Fund in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits set forth in paragraph a), the Company may not combine, where this would lead to investment of more than 20% of the net assets of a Sub-Fund in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body;
  - deposits made with that body; and/or
  - exposure arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% set forth in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% set forth in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The Transferable Securities and Money Market Instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in Transferable Securities or Money Market Instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body, may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

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

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

IV. a) Without prejudice to the limits set forth in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and is disclosed in the relevant Sub-Fund's investment policy.

b) The limit set forth in paragraph a) is raised to 35% where justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. a) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

c) These limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State which invests its assets

mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State complies with the limits set forth in parts III, V and VI of this Section.

- VI. a) The Company may acquire units of the UCITS and/or other UCIs referred to in paragraph I(1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or other UCIs or in one single such UCITS or other UCI.
- b) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of UCITS and/or other UCIs that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company cannot charge subscription or redemption fees to the Company on account of its investment in the units of such UCITS and/or UCIs.

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

- d) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.
- VII. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

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

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits set forth in paragraph III above. When the Company invests in index-based financial derivative instruments, these investments are not subject to the limits set forth in paragraph III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.
- This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in Section I(c), (e) and (f), which are not fully paid, and (ii) performing permitted securities lending activities, neither of which shall be deemed to constitute the making of a loan.
- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.
- IX. a) The Company needs not comply with the limits set forth in this section when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. (a), (b) and (c) for a period of six months following the date of their creation.
- (b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

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### **RISK MANAGEMENT PROCESS**

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

Unless otherwise provided for in the relevant Appendix, the Management Company will apply the commitment approach with respect to the determination of the global exposure of each Sub-Fund.

Upon request by any Shareholder, information relating to the risk management process employed for any Sub-Fund, including the quantitative limits that are applied, and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such investor by the Management Company.

## **TECHNIQUES AND INSTRUMENTS**

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### **I. General**

Unless further restricted by the Investment Policies of a specific Sub-Fund as described in Appendices below, the Company may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are only used for efficient portfolio management or hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the section “INVESTMENT RESTRICTIONS”.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

The Sub-Funds do not intend to engage in securities lending.

### **II. Repurchase Agreements**

The Company may enter into sale with right of repurchases transactions (“*opérations à réméré*”) as well as reverse repurchase transactions (“*vente de titres à réméré*”) and repurchase agreement transactions (“*opérations de prise en pension*”) in accordance with the provisions of Circular 08/356, Circular 14/592 and ESMA 2014/937.

### **III. The Use of Derivatives**

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. A Sub-Fund’s ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

- (a) dependence on the Investment Manager’s ability to predict movements in the price of securities being hedged and movements in interest rates;
- (b) imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
- (c) the absence of a liquid market for any particular instrument at any particular time;
- (d) the degree of leverage inherent in futures trading (i.e., the loan margin deposits normally required in futures trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may

result in an immediate and substantial loss to a Sub-Fund; and

- (e) possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short-term obligations because a percentage of a Sub-Fund's assets will be segregated to cover its obligations.

Each Sub-Fund may use leverage of up to 200% of its net assets. The use of leverage can lead to an enhanced increase of the value of the Sub-Fund's assets, if the costs incurred by the use of the derivative instruments are lower than the profits resulting therefrom. However, should the costs of such transactions exceed the profits resulting from the use of the derivative instruments, enhanced losses can be incurred.

Upon request by any Shareholder, information relating to the risk management methods employed for any Sub-Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such Shareholder by the Company.

Transactions in options, futures, options on futures, swaps, options on swaps, interest rate caps, floors and collars, structured securities, inverse floating-rate securities, and currency transactions including currency forwards or other complex derivative transactions involve risk of loss. Loss can result from a lack of correlation between changes in the value of derivative instruments and the Sub-Fund's assets (if any) being hedged, the potential illiquidity of the markets for derivative instruments, or the risks arising from margin requirements and related leverage factors associated with such transactions. The use of these management techniques also involves the risk of loss if the Investment Manager is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices.

#### IV. Efficient Portfolio Management

The reference to techniques and instruments which relate to transferable securities and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - i) reduction of risk;
  - ii) reduction of cost; and
  - iii) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set forth in Section III. under the heading "INVESTMENT RESTRICTIONS";
- (c) their risks are adequately captured by the risk management process of the Company.

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

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### **Reference Currency**

The reference currency of the Company is the U.S. Dollar and the Net Asset Value of the Company is expressed in U.S. Dollars. The Reference Currency of each Class is disclosed in the relevant Sub-Fund's Appendix.

### **Valuation Principles**

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, the Administrator will calculate the Net Asset Value to at least two decimal places on each Business Day.

The Net Asset Value per Share shall be determined by dividing the net assets of a Sub-Fund/Class, being the value of the assets of the Sub-Fund/Class less the liabilities of the Sub-Fund/Class, by the number of outstanding Shares of the Sub-Fund/Class.

A. The assets of a Sub-Fund shall be deemed to include:

- (i) all cash on hand or on deposit, including any interest accrued thereon;
- (ii) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) all bonds, time notes, shares, stock, debenture stocks, units/shares in undertakings for collective investment, subscription rights, warrants, options and other investments and securities owned or contracted for by the Sub-Fund;
- (iv) all stock, stock dividends, cash dividends and cash distributions receivable by the Sub-Fund (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends or ex-rights or by similar practices);
- (v) all interest accrued on any interest-bearing securities owned by the Sub-Fund except to the extent that the same is included or reflected in the principal amount of such security;
- (vi) the preliminary expenses of the Company insofar as the same have not been written off; and
- (vii) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

- (i) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be 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 shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

- (ii) The value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based, except as defined in (iii) below, in respect of each security on the latest available dealing prices or the latest available mid-market quotation (being the mid-point between the latest quoted bid and offer prices) on the stock exchange which is normally the principal market for such security;
- (iii) Where investments of a Sub-Fund are both listed on a stock exchange and dealt in by market makers outside the stock exchange on which the investments are listed, then the Board of Directors will determine the principal market for the investments in question and they will be valued at the latest available price in that market;
- (iv) Securities dealt in on another regulated market are valued in a manner as near as possible to that described in paragraph (ii);
- (v) In the event that any of the securities held in the Sub-Fund's portfolio on the Valuation Day are not quoted or dealt in on a stock exchange or another regulated market, or for any of such securities, no price quotation is available, or if the price as determined pursuant to sub-paragraphs (ii) and/or (iv) is not in the opinion of the Board of Directors representative of the fair market value of the relevant securities, the value of such securities shall be determined prudently and in good faith, based on the reasonably foreseeable sales or any other appropriate valuation principles;
- (vi) The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Board of Directors;
- (vii) Units or shares in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges;
- (viii) Liquid assets and Money Market Instruments are valued at their market price, at their nominal value plus accrued interest or on an amortised cost basis in accordance with CESR's guidelines on a common definition of European money market funds. If the Company considers that an amortization method can be used to assess the value of a Money Market Instrument, it will ensure that this will not result in a material discrepancy between the value of the Money Market Instrument and the value calculated according to the amortization method;
- (ix) In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Company if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

B. The liabilities of a Sub-Fund shall be deemed to include:

- (i) all loans, bills and accounts payable;

- (ii) all accrued or payable administrative expenses (including but not limited to investment advisory fees, performance or management fees, custodian fees and corporate agents' fees);
- (iii) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- (iv) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Company, and other provisions, if any, authorised and approved by the Board of Directors covering, among others, liquidation expenses; and
- (v) all other liabilities of a Sub-Fund of whatsoever kind and nature except liabilities represented by Shares in the Sub-Fund.

In determining the amount of such liabilities the Company shall take into account all expenses payable by the Company comprising formation expenses, the remuneration and expenses of its Directors and officers, including their insurance cover, fees payable to its investment advisers or investment managers, fees and expenses payable to its service providers and officers, accountants, custodian and correspondents, domiciliary, registrar and transfer agents, any paying agent and permanent representatives in places of registration, any other agent employed by the Company, registration costs, regulatory fees, fees and expenses incurred in connection with the listing of the Shares of the Company at any stock exchange or to obtain a quotation on another regulated market, fees for legal and tax advisers in Luxembourg and abroad, foreign registration fees, fees for auditing services, printing, reporting and publishing expenses, including the cost of preparing, translating, distributing and printing of the prospectuses, notices, rating agencies, explanatory memoranda, registration statements, or interim and annual reports, taxes or governmental charges, shareholders servicing fees and distribution fees payable to distributors of Shares in a Sub-Fund, currency conversion costs, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. 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.

#### **TEMPORARY SUSPENSION OF THE CALCULATION OF NET ASSET VALUE**

Under article 22 of the Articles of Incorporation, the Company may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds and/or the issue, redemption and/or switching of Shares in the following cases:

- (i) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed, other than for legal holidays or during which dealings are substantially restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Sub-Fund attributable to such Sub-Fund;
- (ii) during any period in which a Liquidity Event is determined by U.S. regulators;

- (iii) 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 investments of the relevant Sub-Fund by the Company is not possible;
- (iv) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange;
- (v) if the Company is being or may be wound up or merged, from the date on which notice is given of a general meeting of Shareholders at which a resolution to wind up or merge the Company is to be proposed or if a Sub-Fund is being liquidated or merged, from the date on which the relevant notice is given;
- (vi) when for any other reason the prices of any investments owned by the company attributable to a Sub-Fund cannot promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying undertaking for collective investment);
- (vii) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of a Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (viii) any other circumstances beyond the control of the Board of Directors.

The Board of Directors may, in any of the circumstances listed above, suspend the issue and/or redemption and/or switching of Shares without suspending the calculation of the Net Asset Value.

Notice of such suspension will be given to the CSSF.

Notice will likewise be given to any applicant or Shareholder as the case may be applying for purchase, redemption, or switching of Shares in the Sub-Fund(s) concerned. Such Shareholders may give notice that they wish to withdraw their application for subscription, redemption and switching of Shares. If no such notice is received by the Company such application for redemption or switching as well as any application for subscription will be dealt with on the first Valuation Date following the end of the period of suspension.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg newspaper and in any other newspaper(s) and/or media selected by the Board of Directors, if, in the opinion of the Board of Directors, such period of suspension is likely to exceed seven Business Days.

The suspension of the Net Asset Value calculation of a Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, sale, redemption and switching of Shares of any other Sub-Fund for which the Net Asset Value calculation is not suspended.

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### **ALLOCATION OF ASSETS AND LIABILITIES**

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The Board of Directors reserves the right to add further Sub-Funds and/or Classes and in certain circumstances to discontinue existing Sub-Funds and/or Classes.

The Company is a single legal entity. Pursuant to article 181 of the Law of 2010, the rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund.

The assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund.

For the purpose of the relations as between investors, each Sub-Fund will be deemed to be a separate entity.

## **DATA PROTECTION NOTICE**

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Prospective investors should note that by completing the Application Form they are providing personal information, which may constitute personal data. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the Application Form, prospective investors (the “Applicant(s)”) acknowledge that they are providing their consent to the Company, Management Company, Principal Distributor, Administrator, Custodian, Registrar, Transfer Agent, the Company’s delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- opening accounts, including the processing and maintenance of anti-money laundering/counterterrorism financing/know-your-client records;
- to manage and administer the Applicant’s holding in the Company and any related accounts on an ongoing basis;
- processing subscriptions, payments, redemptions and switches in holdings made by or on behalf of the Applicant;
- maintaining the account records of the Applicant and providing and maintaining the Company’s register;
- for any other specific purposes where the Applicant has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal, record-keeping, and regulatory obligations applicable to the Applicant or the Company;
- for disclosure or transfer, whether in Luxembourg or countries outside Luxembourg, including without limitation the United States, which may not have the same data protection laws as Luxembourg, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of the Company, Management Company, Principal Distributor, Administrator, Custodian, Registrar, and Transfer Agent.

By signing the Application Form, Applicants acknowledge and accept that the Company and/or the Administrator, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons to the Luxembourg tax authorities and/or the U.S. Internal Revenue Service, or for purposes of compliance with the CRS, may be required to disclose personal data to authorized entities in Luxembourg or outside of Luxembourg where confidentiality and data protection laws may differ and have lower standards than in the European Union.

## **TAXATION**

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### **General**

The following statements on taxation below are intended to be a general summary of certain Luxembourg tax consequences that may result to the Company and Shareholders in connection with their investment in the Company and are included herein solely for information purposes. They are based on the law and practice in force in Luxembourg at the date of this Prospectus. There is no assurance that the tax status of the Company or Shareholders will not be changed as a result of amendments to, or changes in the interpretation of, relevant tax legislation and regulations. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Prospective investors should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

The Company will provide regular financial information to its Shareholders as described herein, but will not be responsible for providing (or for the costs of providing) any other information which Shareholders may, by virtue of the size of their holdings or otherwise, be required to provide to the taxing or other authorities of any jurisdiction.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The information herein should not be regarded as legal or tax advice.

### **Taxation of the Company**

The Company is not liable for any Luxembourg tax on profits or income.

The Company is liable in Luxembourg for an annual subscription tax (“*taxe d’abonnement*”) which is payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter.

The rate of the subscription tax is 0.05% per annum of the Net Asset Value of each Class which is available to all investors.

The rate of the subscription tax is 0.01% per annum of the Net Asset Value for:

- (a) Sub-Funds whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions,
- (b) Sub-Funds whose sole object is the collective investment in deposits with credit institutions and
- (c) Sub-Funds or Classes which are reserved to one or more Institutional Investors.

A Sub-Fund that satisfies the following conditions is exempt from the annual subscription tax:

- (i) the securities issued by the Sub-Fund are reserved to Institutional Investors, and
- (ii) the sole object of the Sub-Fund is the collective investment in Money Market Instruments and the placing of deposits with credit institutions, and
- (iii) the weighted residual portfolio maturity of the Sub-Fund does not exceed 90 days, and
- (iv) the Sub-Fund has obtained the highest possible rating from a recognised rating agency.

The Company was liable to an initial fixed charge of EUR 75.- which was paid upon incorporation.

No Luxembourg tax is payable on the realised capital gains or unrealised capital appreciation of the assets of the Company.

Dividends and interest received by the Company on its investments are in many cases subject to irrecoverable withholding taxes at source.

### **European Tax Considerations**

Under the EU Savings Directive and the Law of 2005, Member States are required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State.

In March 2014, the Council of the European Union adopted a new directive amending and broadening the scope of the EU Savings Directive in various respects, including extending the EU Savings Directive to non-UCITS and non-UCITS equivalent funds.

On 10 November 2015 the EU Savings Directive (as amended in March 2014) was repealed by the European Council with effect from 1 January 2016. This is because the proposed revisions to the Administration Cooperation Directive providing for the automatic exchange of financial account information between Member States and the new CRS (referred to below) cover all the areas that had previously been covered by the EU Savings Directive. The revised Administration Cooperation Directive entered into force on 1 January 2016.

***The foregoing is only a summary of the implications of the EU Savings Directive, the Law of 2005 and the Administration Cooperation Directive, and is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive, the Law of 2005 and the Administration Cooperation Directive.***

### **CRS**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and

automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Luxembourg has committed to implement the CRS. As a result, the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Luxembourg. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

The Company may take such action as it considers necessary in accordance with applicable law in relation to an Investor's holding to ensure that any withholding tax payable by the Company, and any related costs, interest, penalties and other losses and liabilities suffered by the Company, the Administrator, the Management Company, the Investment Manager or any other Investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such Investor's failure to provide the requested information to the Company, is economically borne by such Investor.

### **Taxation of Shareholders**

Under current Luxembourg legislation, Shareholders are not subject to any capital gains, income or withholding tax in Luxembourg, except for those domiciled, resident or having a permanent establishment in Luxembourg.

It is expected that Shareholders in the Company will be resident for tax purposes in many different jurisdictions. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor of subscribing, switching, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Investors should inform themselves about, and when appropriate consult their professional advisers on, the possible tax consequences of subscription for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

### **United States Federal Income Tax Considerations**

#### **Investors' Reliance on U.S. Federal Tax Advice in this Prospectus**

**The discussion contained in this Prospectus as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of evading penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.**

FATCA was enacted in the United States in 2010. It introduces a number of new customer identification, reporting and tax withholding requirements applicable to foreign (i.e., non-U.S.) financial institutions ("FFIs") that are aimed at preventing citizens and residents of the United States from evading U.S. taxes by holding their assets in financial accounts outside of the United States with such FFIs. The term "FFI" is defined very broadly and therefore the Company, the Sub-Funds, and certain financial intermediaries that contract with the Company

are considered FFIs.

***The following is a general discussion of the application of FATCA to the Company, as well as existing and prospective investors or Shareholders. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder's particular situation. Investors should consult their independent tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the Shares, including the tax consequences under United States federal laws (and any proposed changes in applicable law).***

#### *FFI Agreements and FATCA Withholding*

FATCA generally requires FFIs to enter into agreements (“FFI Agreements”) with the U.S. Internal Revenue Service (the “IRS”), under which they agree to identify and report information to the IRS on any U.S. Reportable Accounts held by them. The IRS assigns a global intermediary identification number (“GIIN”) to each FFI that has entered into an FFI Agreement, which confirms the FFI’s status as a Participating FFI. If an FFI fails to enter into an FFI Agreement and is not otherwise exempt, it will be treated as a nonparticipating FFI and may become subject to a 30% withholding tax on “withholdable payments” or “passthru payments” (as defined in FATCA) it receives (collectively “FATCA Withholding”), unless the FFI complies with FATCA under other permissive alternatives, such as the alternative applicable to the Company and the Sub-Funds described below. Withholdable payments include generally (i) any U.S. source fixed or determinable annual or periodic income (“U.S. source FDAP income”); and (ii) the gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends that are U.S. source FDAP income. The term “passthru payment” is defined for purposes of section 1471 of the Code generally to include withholdable payments and payments that are attributable to withholdable payments made by an FFI.

#### *Application of FATCA to the Company*

The governments of the United States and the Grand Duchy of Luxembourg have entered into an Intergovernmental Agreement (the “Luxembourg IGA”) that establishes a framework for cooperation and information sharing between the two countries and provides an alternative way for FFIs in Luxembourg, including the Company, to comply with FATCA without having to enter into an FFI Agreement with the IRS. Pursuant to the Luxembourg IGA, the Company must register with the IRS as a Reporting Model 1 FFI (as defined in FATCA) and is assigned a GIIN. Under the terms of the Luxembourg IGA, the Company will identify any U.S. Reportable Accounts held by it and report certain information on such U.S. Reportable Accounts to the Luxembourg tax authorities, which, in turn, will report such information to the IRS.

#### *Application of FATCA to Investors*

Each existing and prospective investor in the Funds is expected to be required to provide the Administrator with such information as the Administrator may deem necessary to determine whether such Shareholder is a U.S. Reportable Account or otherwise qualifies for an exemption under FATCA. If Shares are held in a nominee account by a non-FFI nominee for the benefit of their underlying beneficial owner, the underlying beneficial owner is an accountholder under FATCA, and the information provided must pertain to the beneficial owner.

Please note that the term “U.S. Reportable Account” under FATCA applies to a wider range of investors than the term “U.S. Person” under Regulation S of the 1933 Act. Please refer to the Glossary of Terms and Appendix I of the Prospectus for definitions of both of these terms. Investors should consult their legal counsel or independent tax advisors regarding whether they fall under either of these definitions.

### *Implementation and Timing*

FATCA establishes transition periods for the implementation of the FATCA Withholding. Withholding on payments of U.S. Source FDAP Income to new accounts opened by an FFI after 30 June 2014 began on 1 July 2014. Withholding on payments of U.S. Source FDAP Income for accounts opened prior to 30 June 2014 begins on 1 July 2015 for accounts with balances exceeding U.S. \$1 million and 1 July 2016 for accounts with lower balances. Withholding on gross proceeds from the sale or other disposition of investments and on passthru payments begins after 31 December 2016.

As with any investment, the tax consequences of an investment in Shares may be material to an analysis of an investment in a Sub-Fund. U.S. Taxpayers investing in a Sub-Fund should be aware of the tax consequences of such an investment before purchasing Shares. Each prospective investor is urged to consult his or her tax advisor regarding the specific consequences of an investment in a Sub-Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

## **GENERAL MEETINGS OF SHAREHOLDERS AND REPORTS**

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The annual general meeting of Shareholders will be held each year at the Company’s registered office or at any other place in the municipality of the registered office of the Company, which will be specified in the convening notice to the meeting.

The annual general meeting will be held on the first bank business day of June in Luxembourg at 10 a.m. Luxembourg time.

Shareholders will meet upon the call of the Board of Directors in accordance with the provisions of Luxembourg law.

In accordance with the Articles of Incorporation and Luxembourg law, all decisions taken by the Shareholders pertaining to the Company shall be taken at the general meeting of all Shareholders. Any decisions affecting Shareholders in one or several Sub-Funds may be taken by just those Shareholders in the relevant Sub-Funds to the extent that this is allowed by law. In that particular instance, the requirements on quorum and majority voting rules as set forth in the Articles of Incorporation apply.

The Company will issue an audited annual report within four months after the end of the accounting year and an un-audited semi-annual report within two months after the end of the period to which it refers. Audited annual reports and un-audited interim reports for the Company combining the accounts of the Sub-Funds will be drawn up in U.S. Dollars. For this purpose, if the accounts of a Sub-Fund are not expressed in U.S. Dollars, such accounts shall be converted into U.S. Dollars. The Reports will also be made available at the registered office of the Company.

Unless otherwise provided for in the convening notice to the annual general meeting of Shareholders, the Reports will be available at the registered office of the Company (and as may be required by applicable local laws and regulations) and on the Website. The accounting year of the Company ends on 31 December in each year.

The Company will disclose on the Company's website (at [www.skyharborglobalfunds.com](http://www.skyharborglobalfunds.com)) each Sub-Fund's complete portfolio holdings at the end of each calendar quarter. The website is accessed by assigned password available to all registered subscribers or properly authorized beneficial owners (the "Beneficial Owners"). Upon Shareholder or Beneficial Owner request and authorised by a Director of the Company, portfolio holdings information may be disseminated more frequently or at different periods than as described above upon execution of a Non-Disclosure Agreement. Upon a Shareholder's or Beneficial Owner's specific request, the Company may also provide additional information regarding characteristics of each Sub-Funds portfolio holdings consistent with this policy, including, but not limited to, average duration, weightings, credit quality in relation to credit ratings and sector information. Such supplementary disclosures may, at the discretion of the Board of Directors, require a Non-Disclosure Agreement before information is released. Unless otherwise determined by the Board of Directors at its sole discretion with due regard to the best interest of all Shareholders, responses to specific requests for additional information will be made available only to a requesting Shareholder or Beneficial Owner.

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## **TERM, LIQUIDATION, MERGER AND DIVISION**

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### **Term**

#### The Company

The Company was incorporated for an unlimited duration. However, the Board of Directors may at any time move to dissolve the Company at an extraordinary general meeting of Shareholders.

#### The Sub-Funds

Unless otherwise provided for in the relevant Appendix, each Sub-Fund will be set up for a continuous and unlimited term of years.

### **Liquidation**

#### The Company

If the Company's share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of the dissolution to a general meeting of Shareholders, deliberating without any quorum and deciding by a simple majority of the Shares represented at the meeting.

If the Company's share capital is less than a quarter of the minimum capital required by law, the Board of Directors must refer the matter of dissolution of the Company to a general meeting of Shareholders, deliberating without any quorum; the dissolution may be decided by Shareholders holding a quarter of the Shares represented at the meeting.

In the event of a dissolution of the Company, liquidation must be carried out by one or several liquidators (who may be physical persons or legal entities) named by decision of the

Shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Class (within each Sub-Fund) will be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of Shares in such Class.

The completion of the liquidation of the Company must in principle take place within a period of nine months from the date of the decision relating to the liquidation. Where the liquidation of the Company cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of the Company has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by Shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation*.

### The Sub-Funds and Classes

A Sub-Fund or a Class may be terminated by resolution of the Board of Directors if the Net Asset Value of a Sub-Fund or a Class is below 10,000,000 U.S. Dollars or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund or a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Sub-Fund or a Class should be terminated. In such event, the assets of the Sub-Fund or the Class will be realized, the liabilities discharged and the net proceeds of realization distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class and such other evidence of discharge as the Board of Directors may reasonably require. This decision will be notified to Shareholders as required. No Shares will be redeemed after the date of the decision to liquidate the Sub-Fund or a Class.

The completion of the liquidation of a Sub-Fund or a Class must in principle take place within a period of nine months from the date of decision of the Board of Directors relating to the liquidation. Where the liquidation of Sub-Fund or a Class cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of Sub-Fund or a Class has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by Shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation*.

## **Merger**

### The Company

The Company may be merged in accordance with the provisions of the Law of 2010. In the event the Company is involved in a merger as receiving UCITS, solely the Board of Directors will decide on the merger and the effective date thereof; in the event the Company is involved in a merger as absorbed UCITS and hence ceases to exist, the general meeting of shareholders of the Company has to approve and decide on the effective date of such merger by a resolution

adopted with no quorum requirement and at the simple majority of the votes validly cast at such meeting. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

### The Sub-Funds

The Board of Directors may resolve to proceed with a merger (within the meaning of the Law of 2010) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with (i) another existing Sub-Fund within the Company or another sub-fund within another Luxembourg or foreign UCITS; or (ii) a new Luxembourg or foreign UCITS, and as appropriate, to redesignate the shares of the Sub-Fund concerned as shares of the new Sub-Fund or of the new UCITS as applicable. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

### The Classes

A Class may merge with one or more other Classes by resolution of the Board of Directors if the Net Asset Value of a Class is below 5,000,000 U.S. Dollars or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Class should be merged. This decision will be notified to Shareholders as required. Each Shareholder of the relevant Class will be given the option, within a period to be determined by the Board of Directors (but not being less than one month, unless otherwise authorised by the regulatory authorities, and specified in said notice), to request free of any redemption charge either the repurchase of its Shares or the exchange of its Shares against Shares of any Class not concerned by the merger. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

A Class may be contributed to another investment fund by resolution of the Board of Directors in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Class should be contributed to another fund. This decision will be notified to Shareholders as required. Each Shareholder of the relevant Class will be given the option within a period to be determined by the Board of Directors (but not being less than one month, unless otherwise authorised by the regulatory authorities, and specified in said notice), to request, free of any redemption charge, the repurchase of its Shares. Where the holding of units in another undertaking for collective investment does not confer voting rights, the contribution will be binding only on Shareholders of the relevant Class who expressly agree to the merger. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

### **Division**

If the Board of Directors determines that it is in the interests of the Shareholders of the relevant Sub-Fund or Class or that a change in the economic or political situation relating to the Sub-Fund or Class concerned has occurred which would justify it, the reorganisation of one Sub-Fund or Class, by means of a division into two or more Sub-Funds or Classes, may take place.

This decision will be notified to Shareholders as required. The notification will also contain information about the two or more new Sub-Funds or Classes. The notification will be made at least one month before the date on which the reorganization becomes effective in order to enable the Shareholders to request the sale of their Shares, free of charge, before the operation involving division into two or more Sub-Funds or Classes becomes effective.

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### **PUBLICATION OF PRICES**

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The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Company. If required under local requirements, Share prices will be made available or published in newspapers and via any other media as may be decided by the Board of Directors from time to time.

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### **HISTORICAL PERFORMANCE**

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If available, past performance information will be included in the KIIDs, which are available from the registered office of the Company and the Website.

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### **COMPLAINTS**

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Complaints regarding the operation of the Company or any of its Sub-Funds may be submitted to the registered office of the Company.

In accordance with the regulation applicable in Luxembourg, the Company has implemented and maintains effective and transparent procedures for the reasonable and prompt handling of complaints received from Shareholders. The information regarding those procedures shall be made available to Shareholders free of charge.

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### **STRATEGY FOR THE EXERCISE OF VOTING RIGHTS**

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In accordance with the regulations applicable in Luxembourg, the Company has developed an adequate and effective strategy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the Company.

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### **MATERIAL CONTRACTS**

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The following contracts, not being contracts entered into in the ordinary course of business, have been entered or will be entered into and are or may be material:

- The Management Company Services Agreement;
- The Investment Management Agreement;
- The Principal Distribution Agreement;
- The Global Custody Agreement; and
- The Administration Agreement.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

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Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports as well as the material contracts referred to above are available for inspection at the registered office of the Company.

A copy of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports may be obtained free of charge on the Website and at the registered office of the Company.

## **DEFINITION OF U.S. PERSON AND U.S. REPORTABLE PERSON**

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### **Regulation S Definition of U.S. Person**

A “U.S. Person” for the purpose of this Prospectus is a “U.S. Person” as defined by Rule 902 of Regulation S promulgated under the 1933 Act, and does not include any “Non-United States person” as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended.

Regulation S currently provides that:

1. “U.S. Person” means:
  - a. any natural person resident in the U.S.;
  - b. any partnership or corporation organised or incorporated under the laws of the U.S.;
  - c. any estate of which any executor or administrator is a U.S. Person;
  - d. any trust of which any trustee is a U.S. Person;
  - e. any agency or branch of a non-U.S. entity located in the U.S.;
  - f. any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - g. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S.; and
  - h. any partnership or corporation if
    - (i) organised or incorporated under the laws of any non-U.S. jurisdiction and
    - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

2. “U.S. Person” does not include:
- a. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or, if an individual, resident in the U.S.;
  - b. any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
  - c. any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
  - d. an employee benefit plan established and administered in accordance with the law of a country other than the U.S. and customary practices and documentation of such country;
  - e. any agency or branch of a U.S. Person located outside the U.S. if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
  - f. the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans and any other similar international organisations, their agencies, affiliates and pension plans; and
  - g. any entity excluded or exempted from the definition of “U.S. Person” in reliance on or with reference to interpretations or positions of the SEC or its staff.

Rule 4.7 of the U.S. Commodity Exchange Act regulations currently provides in relevant part that the following persons are considered “Non-United States persons”: (a) a natural person who is not a resident of the U.S.; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as non-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the U.S.

## **Definition of the Term “Resident” For Purposes of Regulation S**

For purposes of the definition of “U.S. Person” in (1) above with respect to natural persons, a natural person shall be resident in the U.S. if such person (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence test.” The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 180 days.

## **Definition of U.S. Reportable Person**

(1) “U.S. Reportable Person” means (i) a U.S. Taxpayer that is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity.

(2) “U.S. Taxpayer” means:

(a) a U.S. citizen or resident alien of the U.S. (as defined for U.S. Federal income tax purposes);

(b) any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the U.S. or any state thereof;

(c) any other partnership that is treated as a U.S. Person under U.S. Treasury Department regulations;

(d) any estate, the income of which is subject to U.S. income taxation regardless of source; and

(e) any trust over whose administration a court within the U.S. has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the U.S. may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor may be a U.S. Taxpayer for Federal income tax purposes but not a “U.S. Person” for purposes of investor qualification for a Fund. For example, an individual who is a U.S. citizen residing outside of the U.S. is not a “U.S. Person” but is a U.S. Taxpayer for Federal income tax purposes;

(3) “Excluded U.S. Taxpayer” means a U.S. Taxpayer who is also: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, any U.S. territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the Code; (vi) any bank as defined in Section 581 of the Code; (vii) any real estate investment trust as defined in Section 856 of the Code; (viii) any regulated investment company as defined in Section 851 of the Code or any entity registered with the Securities Exchange Commission under the 1940 Act; (ix) any common trust fund as defined in Section 584(a) of the Code; (x)

any trust that is exempt from tax under Section 664(c) of the Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state thereof; or (xii) a broker as defined in Section 6045(c) of the Code.

(4) “Passive U.S. Controlled Foreign Entity” means any entity that is not a U.S. Taxpayer or Financial Institution and that has one or more “Controlling U.S. Persons” as owners of equity in such entity. For this purpose, a Controlling U.S. Person means an individual who is a U.S. Taxpayer and who exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

## **APPENDIX I - U.S. SHORT DURATION HIGH YIELD FUND**

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### **TO THE PROSPECTUS OF SKY HARBOR GLOBAL FUNDS**

#### **Relating to the Sub-Fund**

#### **SKY Harbor Global Funds - U.S. Short Duration High Yield Fund**

##### **1. Name**

SKY Harbor Global Funds - U.S. Short Duration High Yield Fund

##### **2. Investment Manager**

SKY Harbor Capital Management, LLC  
20 Horseneck Lane  
Greenwich, CT 06830  
United States of America

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

The Sub-Fund will seek to invest primarily in high yield, fixed-income U.S. corporate debt securities and, to a lesser extent, preferred stocks, that offer, in the view of the Investment Manager, a high return, without excessive risk, at the time of purchase.

The Sub-Fund will invest primarily in below-investment-grade-rated U.S. corporate bonds, some of which may be purchased at a discount to face value and may, therefore, offer a potential for capital appreciation as well as high current income. Conversely, some bonds may be purchased at a premium in order to obtain a high yield, and the Sub-Fund may realize a capital loss on their disposition.

While the Investment Manager anticipates that the Sub-Fund will invest primarily in the securities of U.S. domiciled or listed companies, it may also invest in those of foreign companies and, possibly, in obligations of foreign governments or governmental agencies or instrumentalities.

The Investment Manager anticipates that the average expected life to maturity or redemption of the Sub-Funds' investments will be three years or less, although the Investment Manager may vary this approach if market conditions so warrant.

The Investment Manager believes that the Sub-Fund will provide investors with a higher degree of principal stability than is typically available in a portfolio of lower rated longer-term, fixed-income investments of longer average maturity than three years.

Companies that issue high yielding fixed-income securities are often highly leveraged and may not have more traditional methods of financing available to them. The Investment Manager believes, nevertheless, that the short-life securities of many such companies offer the prospect of very attractive returns, primarily through high current interest income and secondarily through the potential for capital appreciation.

Various investment services rate some of the types of securities in which the Sub-Fund may invest. Higher yields are ordinarily available from securities in the lower-rating categories of the recognized rating services, that is, securities rated BB+ or lower by Standard & Poor's Ratings Services ("S&P") or Ba1 or lower by Moody's Investors Service, Inc. ("Moody's"), and from unrated securities of comparable quality.

In this regard, securities rated CCC or Caa by S&P and Moody's, respectively, are generally regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the security. To the extent the Sub-Fund may invest in securities rated below CCC or Caa, the Company will monitor liquidity in accordance with its risk management process.

The Investment Manager will consider a number of other factors in its investment analysis of a security in addition to its rating, including, among other things, the issuer's financial condition, earnings prospects, anticipated cash flow, interest or dividend coverage and payment history, asset coverage, debt maturity schedules and borrowing requirements. The Investment Manager will utilize reports, statistics and other data from a variety of sources, but will base its investment decisions primarily on its own research and analysis.

The Sub-Fund may also make short-term investments in cash or in Money Market Instruments to either maintain liquidity or for short-term defensive purposes when the Investment Manager believes it is in the best interests of the Shareholders to do so. During these periods, the Sub-Fund may not achieve its objective.

#### **4. Risk Considerations Specific to the Sub-Fund**

The Sub-Fund will be subject to the risks associated with high yield fixed-income securities. Particularly, Shareholders are warned that, due to the very nature of high yield bonds, the Net Asset Value of the Sub-Fund may have a high volatility.

#### **5. Investment Restrictions Specific to the Sub-Fund**

In addition to the limits set forth in the section "INVESTMENT RESTRICTIONS" of the Prospectus, the Sub-Fund is NOT allowed to:

- i) invest in financial derivative instruments. For the purpose of this Appendix I only, convertible bonds and bonds that were issued with attached warrants, commonly referred to as units, will not be considered as financial derivative instruments;
- ii) use financial derivative instruments whether for hedging purposes, except in order to hedge foreign exchange and currency risk borne by the investor which will invest in the non-U.S. Dollar denominated Shares of the Sub-Fund, or for efficient portfolio management purposes; or
- iii) borrow, except as set out under VIII. a) of the section "INVESTMENT RESTRICTIONS".

#### **6. Classes**

There are currently sixty-four (64) Classes in the Sub-Fund, which shall be denominated in the currencies mentioned hereinafter.

| <i>Class and Currency Denomination</i>  | <i>ISIN</i>  | <i>Class and Currency Denomination</i>       | <i>ISIN</i>  |
|-----------------------------------------|--------------|----------------------------------------------|--------------|
| - Class A - Capitalization: USD;        | LU0765416804 | - Class A – Distribution: USD;               | LU0765416986 |
|                                         |              | - Class A – Distribution (Mdis): USD;        | LU1134534434 |
| - Class A - Capitalization: EUR hedged; | LU0765417018 | - Class A – Distribution: EUR hedged;        | LU0765417109 |
| - Class A - Capitalization: GBP hedged; | LU0765417281 | - Class A – Distribution: GBP hedged;        | LU0765417364 |
| - Class A - Capitalization: CHF hedged; | LU0765417448 | - Class A – Distribution: CHF hedged;        | LU0765417521 |
| - Class A - Capitalization: SEK hedged; | LU0765417794 | - Class A – Distribution: SEK hedged;        | LU0765417877 |
| - Class A - Capitalization: NOK hedged; | LU0765433999 | - Class A – Distribution: NOK hedged;        | LU0765435424 |
| - Class A - Capitalization: DKK hedged; | LU0765435770 | - Class A – Distribution: DKK hedged;        | LU0765435937 |
| - Class A - Capitalization: SGD hedged; | LU1134534780 | - Class A – Distribution: SGD hedged;        | LU1134534947 |
|                                         |              | - Class A – Distribution (Mdis): SGD hedged; | LU1134535167 |
|                                         |              |                                              |              |
| - Class B - Capitalization: USD;        | LU0765436075 | - Class B – Distribution: USD;               | LU0765436315 |
|                                         |              |                                              |              |
| - Class B - Capitalization: EUR hedged; | LU0765436406 | - Class B – Distribution: EUR hedged;        | LU0765417950 |
| - Class B - Capitalization: GBP hedged; | LU0765418099 | - Class B – Distribution: GBP hedged;        | LU0765418172 |
| - Class B - Capitalization: CHF hedged; | LU0765418255 | - Class B – Distribution: CHF hedged;        | LU0765418339 |
| - Class B - Capitalization: SEK hedged; | LU0765418412 | - Class B – Distribution: SEK hedged;        | LU0765418503 |
| - Class B - Capitalization: NOK hedged; | LU0765418685 | - Class B – Distribution: NOK hedged;        | LU0765418768 |
| - Class B - Capitalization: DKK hedged; | LU0765418842 | - Class B – Distribution: DKK hedged;        | LU0765418925 |
| - Class B - Capitalization: SGD hedged; | LU1134535324 | - Class B – Distribution: SGD hedged;        | LU1134535753 |
|                                         |              |                                              |              |
| - Class C - Capitalization: USD;        | LU1134535910 | - Class C – Distribution: USD;               | LU1134536561 |
| - Class C - Capitalization: EUR hedged; | LU1134536132 | - Class C – Distribution: EUR hedged;        | LU1134536728 |
| - Class C - Capitalization: GBP hedged; | LU1134536306 | - Class C – Distribution: GBP hedged;        | LU1134537023 |
| - Class C – Capitalization: CHF hedged; | LU1373146221 | - Class C – Distribution: CHF hedged;        | LU1373146494 |
|                                         |              |                                              |              |
| - Class E - Capitalization: EUR hedged; | LU0765419063 | - Class E – Distribution: EUR; hedged;       | LU0765419147 |
|                                         |              |                                              |              |
| - Class F - Capitalization: USD;        | LU0765419220 | - Class F – Distribution: USD;               | LU0765419493 |
|                                         |              | - Class F – Distribution (Mdis): USD;        | LU1134537379 |
| - Class F - Capitalization: EUR hedged; | LU0765419576 | - Class F – Distribution: EUR hedged;        | LU0765419659 |
| - Class F - Capitalization: GBP hedged; | LU0765419733 | - Class F – Distribution: GBP hedged;        | LU0765419816 |
| - Class F - Capitalization: CHF hedged; | LU0765419907 | - Class F – Distribution: CHF hedged;        | LU0765420079 |
| - Class F - Capitalization: SEK hedged; | LU0765420152 | - Class F – Distribution: SEK hedged;        | LU0765420236 |
| - Class F - Capitalization: NOK hedged; | LU0765420319 | - Class F – Distribution: NOK hedged;        | LU0765420400 |
| - Class F - Capitalization: DKK hedged; | LU0765420582 | - Class F – Distribution: DKK hedged;        | LU0765420665 |
| - Class F - Capitalization: SGD hedged; | LU1134537536 | - Class F – Distribution: SGD hedged;        | LU1134537700 |
|                                         |              | - Class F – Distribution (Mdis): SGD hedged; | LU1134537882 |
|                                         |              |                                              |              |
| - Class W - Capitalization: USD;        | LU1134537965 |                                              |              |
|                                         |              |                                              |              |
| - Class X – Capitalization: USD.        | LU0765420749 |                                              |              |

### Class A Shares

Class “A” Shares have been more specifically designed for Institutional Investors that are able to meet the higher minimum subscription and minimum holding requirements for Class “A” Shares, as described below, and benefit from reduced fee levels. The Class “A” Shares with the suffix “hedged” will be hedged.

If as a result of a subsequent subscription a Shareholder holding Classes “B”, “E”, or “F” Shares reaches the minimum level of holding required for Class “A” Shares, such Shareholder may apply for Class “A” Shares to be allotted in respect to such subsequent subscription and switch its existing Class of Shares into Class “A” Shares. Shareholders cannot switch Class “E” Shares or Class “F” Shares into Class “A” Shares without the prior approval of the Board of Directors. To that end, the Shareholder will make the corresponding request in the application for its subsequent subscription. Conversely, if as a result of a redemption, a Shareholder holding Class “A” Shares falls below the level of holding required for Class “A” Shares, such Shareholder may be deemed to have requested the switching of the balance of its holding into Class “F” Shares. No charge will be levied to the Shareholder for switches between Classes.

The Company will not issue or effect any switch into Class “A” Shares to any investor who does not qualify as a Class “A” Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Class “A” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “A” Institutional Investor. If it appears at any time that a Shareholder of Class “A” Shares is not a Class “A” Institutional Investor, the Company may instruct the Registrar and Transfer Agent to propose that the said Shareholder switches its Shares into Shares of a Class within the relevant Sub-Fund that is not restricted to Class “A” Institutional Investors. In the event that the Shareholder refuses such transfer, the Company will instruct the Registrar and Transfer Agent to redeem the relevant Shares in accordance with the provisions of the Articles of Incorporation.

### Class B Shares

Class “B” Shares are dedicated for all other Institutional Investors that do not meet the higher minimum subscription and minimum holding requirements for Class “A” Shares, as described below. The Class “B” Shares with the suffix “hedged” will be hedged.

The Company will not issue or effect any switch into Class “B” Shares to any investor who does not qualify as a Class “B” Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Class “B” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “B” Institutional Investor. If it appears at any time that a Shareholder of Class “B” Shares is not a Class “B” Institutional Investor, the Company may instruct the Registrar and Transfer Agent to propose that the said Shareholder switch its Shares into Shares of a Class within the Sub-Fund that is not restricted to Class “B” Institutional Investors. In the event that the Shareholder refuses such transfer, the Company will instruct the Registrar and Transfer Agent to redeem the relevant Shares in accordance with the provisions of the Articles of Incorporation.

### Class C Shares

Class “C” Shares may be offered in certain limited circumstances through certain distribution agents, platforms or financial intermediaries only in the United Kingdom, the Netherlands or Switzerland. Purchases of Class C Shares are not subject to an initial sales charge, contingent deferred sales charge, or servicing charge and are only available through such financial intermediaries that are not eligible to receive commissions or administrative service fees under local adviser charging rules. Shareholders cannot switch Class “C” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “C” Shares with the suffix “hedged” will be hedged.

### Class E Shares

Class “E” Euro Shares are for all investors. Shareholders cannot switch Class “E” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “E” Shares with the suffix “hedged” will be hedged.

### Class F Shares

Class “F” Shares are for all investors. Shareholders cannot switch Class “F” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “F” Shares with the suffix “hedged” will be hedged.

### Class W Shares

Class “W” Shares may be offered in certain limited circumstances for distribution in certain countries and/or through certain sub-distributors. Class “W” Shares are only available to investors who have entered into a separate fee arrangement with the Investment Manager. Any local offering document or supplement to this Prospectus, including those used by the relevant sub-distributor, will refer to the terms to subscribe for Class “W” Shares. The Company may, at its discretion, delay the acceptance of any subscription for Class “W” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “W” investor. Shareholders cannot switch Class “W” Shares into another Class of Shares in the same or a different Sub-Fund. The costs for asset management are charged to Shareholders of Class “W” shares as described in any local offering document.

### Class X Shares

Class “X” Shares are reserved for the sole investor (or its affiliates) who invested in that Class during the Sub-Fund’s initial offering period and are not available to other investors. Conversion of Class “X” Shares into any other Class is prohibited. Conversion of Class “A”, Class “B”, Class “C”, Class “E”, Class “F”, and Class “W” shares into Class “X” Shares is prohibited. Class “X” Shares are not subject to an annual management fee.

## **7. Distribution Policy**

Under normal circumstances, the Sub-Fund does not intend to declare and make distributions with respect to the net investment income and realized capital gains, if any, attributable to the Capitalization Classes of the Sub-Fund. Accordingly, the net investment income of the Capitalization Classes of the Sub-Fund will neither be declared nor distributed. However, the Net Asset Value per Share of these Capitalization Classes will reflect any net investment income or capital gains.

Under normal circumstances, the Sub-Fund intends to make distributions on a monthly basis with respect to the Class A Distribution Classes and Class F Distribution Classes identified with the suffix “(Mdis)” and on a semi-annual basis with respect to Class A, Class B, Class E and Class F Distribution Classes, or at other time(s) to be determined by the Board of Directors, with respect to the net income, if any, attributable to the Distribution Classes.

The Company shall make distributions, with respect to the net income, if any, attributable to Distribution Classes denominated in DKK which (i) must be paid in cash only; (ii) must be paid on a semi-annual basis; and (iii) may not exceed the respective accumulated net investment income in any of such Distribution Classes denominated in DKK. This paragraph may only be amended if the provisions in the Articles of Incorporation concerning the distribution policy of Distribution Classes denominated in DKK are amended by a meeting of the shareholders of the Company. Shareholders are advised that amendments to the Articles of Incorporation will require a majority of two-thirds (2/3) of the votes cast at such a meeting. Fifty (50) percent of the outstanding share capital of the Company must be represented to have a quorum. Each share is entitled to one vote. If the quorum is not reached, a second meeting will be convened with the same agenda. There is no quorum required for this reconvened meeting and the resolutions will be passed by a majority of two-thirds (2/3) of the votes cast at such meeting.

## 8. Minimum Subscription and Minimum Holding Requirements<sup>1</sup>

| Class                         | A          | B         | C    | E    | F    | W          | X    |
|-------------------------------|------------|-----------|------|------|------|------------|------|
| Minimum initial subscription  | 65,000,000 | 1,000,000 | 500  | 500  | 500  | 10,000,000 | None |
| Minimum subsequent investment | None       | None      | None | None | None | None       | None |
| Minimum holding requirement   | 30,000,000 | 1,000,000 | 500  | 500  | 500  | 100,000    | None |

<sup>1</sup> All minima are stated in U.S. Dollars.

The Board of Directors may, in its sole discretion, waive or modify the foregoing requirements in particular cases.

## 9. Subscriptions

Subscription applications should be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Subscription requests received and approved, or deemed to be received and approved, by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end after the Dealing Deadline will be deemed to have been received on the next Valuation Day and Shares will then be issued at the price applicable to that next Valuation Day.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Paying Agent within three (3) Business Days after the subscription has been processed. Exceptions to the foregoing due to incongruous settlement dates in the Reference Currency of the relevant Class may be accepted at the discretion of the Board of Directors.

## 10. Redemptions

Redemption applications must be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Redemption requests received or deemed to be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be redeemed at the price applicable to that next Valuation Day.

Redemption proceeds will be settled as soon as reasonably practicable and normally within three (3) Business Days of the Valuation Day at a redemption price per Share determined by reference to the Net Asset Value of the Sub-Fund on the relevant Valuation Day. There is no minimum redemption amount.

## 11. Switches

Subject to the minimum holding requirements for each Class, Shareholders may switch Shares of a Class of the Sub-Fund into Shares of another Class of the Sub-Fund or of another sub-fund of the Company without any charge. There is no minimum switching amount.

Switching applications must be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Switching requests received or deemed to be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be switched at the price applicable to that next Valuation Day.

## 12. Fees

### Fees Payable by Shareholders

The Distributor may charge and receive the following fees from Shareholders:

| Class        |                              | A    | B    | C    | E    | F    | W    | X    |
|--------------|------------------------------|------|------|------|------|------|------|------|
| One-Off Fees | Maximum Initial Sales Charge | None | None | None | 2%   | 2%   | None | None |
|              | Maximum Redemption Fees      | None |
|              | Maximum Switching Fees       | None |

### Fees Payable by the Sub-Fund

The following is a summary of the maximum fees payable by the Company to the Investment

Manager, Distributor, Administrator, Custodian, and Management Company:

| Class           |                                                                                           | A                         | B     | C     | E     | F     | W     | X     |
|-----------------|-------------------------------------------------------------------------------------------|---------------------------|-------|-------|-------|-------|-------|-------|
| Ongoing Charges | Maximum Annual Management Fees                                                            | Please see Item 19 below. |       |       |       |       |       |       |
|                 | Maximum Annual Distribution Fees                                                          | None                      | None  | None  | 0.35% | None  | None  | None  |
|                 | Maximum Annual Registrar and Transfer Agent, Domiciliary, Corporate and Paying Agent Fees | 0.05%                     | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% |
|                 | Maximum Annual Custodian Fees                                                             | 0.01%                     | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% |
|                 | Maximum Annual Management Company Fees                                                    | 0.02%                     | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% |

Ongoing Charges

To the extent that the Ongoing Charges per Class exceed the percentage for each Class of Shares noted under Item 19 below during any financial year, such excess amount shall be paid by the Investment Manager, subject to recoupment by the Investment Manager over a period not exceeding five years. For the avoidance of doubt, the recoupment will not lead to the aforementioned Ongoing Charges being exceeded.

**13. Reference Currency**

The Reference Currency of the Sub-Fund is the U.S. Dollar. The Reference Currency of each Class is indicated in Item 6 above.

**14. Business Day**

A Business Day is a day on which banks in Luxembourg and New York are open all day for business.

**15. Valuation Day**

Every Business Day shall be a Valuation Day.

**16. Dealing Deadline**

The Dealing Deadline is 12:00 Noon Luxembourg time on the applicable Valuation Day.

**17. Listing**

Shares of the Sub-Fund are currently not listed on any stock exchange. The Board of Directors may, in its sole discretion, make an application for the listing of the Shares on the Luxembourg Stock Exchange or any other stock exchange.

**18. Profile of the Typical Investor**

Typical investors would seek a high level of current income primarily through exposure to below-investment-grade-debt securities of U.S. companies while accepting and understanding the relatively higher risk of loss and commensurate higher volatility associated with such investments.

## 19. Maximum Annual Management Fees and Maximum Ongoing Charges

| <i>Class and Currency Denomination</i>  | <i>Maximum Annual Management Fees</i> | <i>Maximum Ongoing Charges</i> | <i>Class and Currency Denomination</i>       | <i>Maximum Annual Management Fees</i> | <i>Maximum Ongoing Charges</i> |
|-----------------------------------------|---------------------------------------|--------------------------------|----------------------------------------------|---------------------------------------|--------------------------------|
| - Class A - Capitalization: USD;        | 0.45%                                 | 57 bps                         | - Class A – Distribution: USD;               | 0.45%                                 | 57 bps                         |
|                                         |                                       |                                | - Class A – Distribution (Mdis): USD;        | 0.45%                                 | 57 bps                         |
| - Class A - Capitalization: EUR hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: EUR hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: GBP hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: GBP hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: CHF hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: CHF hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: SEK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: SEK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: NOK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: NOK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: DKK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: DKK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: SGD hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: SGD hedged;        | 0.45%                                 | 60 bps                         |
|                                         |                                       |                                | - Class A – Distribution (Mdis): SGD hedged; | 0.45%                                 | 60 bps                         |
|                                         |                                       |                                |                                              |                                       |                                |
| - Class B - Capitalization: USD;        | 0.75%                                 | 87 bps                         | - Class B – Distribution: USD;               | 0.75%                                 | 87 bps                         |
| - Class B - Capitalization: EUR hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: EUR hedged ;       | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: GBP hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: GBP hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: CHF hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: CHF hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: SEK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: SEK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: NOK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: NOK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: DKK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: DKK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B – Capitalization: SGD hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: SGD hedged;        | 0.75%                                 | 90 bps                         |
|                                         |                                       |                                |                                              |                                       |                                |
| - Class C - Capitalization: USD;        | 0.50%                                 | 65 bps                         | - Class C – Distribution: USD;               | 0.50%                                 | 65 bps                         |
| - Class C - Capitalization: EUR hedged; | 0.50%                                 | 68 bps                         | - Class C – Distribution: EUR hedged;        | 0.50%                                 | 68 bps                         |
| - Class C - Capitalization: GBP hedged; | 0.50%                                 | 68 bps                         | - Class C – Distribution: GBP hedged;        | 0.50%                                 | 68 bps                         |

|                                         |       |         |                                              |       |         |
|-----------------------------------------|-------|---------|----------------------------------------------|-------|---------|
| - Class C – Capitalization: CHF hedged  | 0.50% | 68 bps  | - Class C – Distribution: CHF hedged;        | 0.50% | 68 bps  |
| - Class E - Capitalization: EUR hedged; | 1.00% | 155 bps | - Class E - Distribution: EUR hedged;        | 1.00% | 155 bps |
| - Class F - Capitalization: USD;        | 1.00% | 117 bps | - Class F – Distribution: USD;               | 1.00% | 117 bps |
|                                         |       |         | - Class F – Distribution (Mdis): USD;        | 1.00% | 117 bps |
| - Class F - Capitalization: EUR hedged; | 1.00% | 120 bps | - Class F – Distribution: EUR hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: GBP hedged; | 1.00% | 120 bps | - Class F – Distribution: GBP hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: CHF hedged; | 1.00% | 120 bps | - Class F – Distribution: CHF hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: SEK hedged; | 1.10% | 130 bps | - Class F – Distribution: SEK hedged;        | 1.10% | 130 bps |
| - Class F - Capitalization: NOK hedged; | 1.10% | 130 bps | - Class F – Distribution: NOK hedged;        | 1.10% | 130 bps |
| - Class F - Capitalization: DKK hedged; | 1.10% | 130 bps | - Class F – Distribution: DKK hedged;        | 1.10% | 130 bps |
| - Class F – Capitalization: SGD hedged; | 1.00% | 120 bps | - Class F – Distribution: SGD hedged;        | 1.00% | 120 bps |
|                                         |       |         | - Class F – Distribution (Mdis): SGD hedged; | 1.00% | 120 bps |
| - Class W - Capitalization: USD;        | None  | 12 bps  |                                              |       |         |
| - Class X - Capitalization: USD.        | None  | 12 bps  |                                              |       |         |

## APPENDIX II - U.S. HIGH YIELD FUND

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### TO THE PROSPECTUS OF SKY HARBOR GLOBAL FUNDS

#### Relating to the Sub-Fund

#### SKY Harbor Global Funds - U.S. High Yield Fund

**1. Name**

SKY Harbor Global Funds - U.S. High Yield Fund

**2. Investment Manager**

SKY Harbor Capital Management, LLC  
20 Horseneck Lane  
Greenwich, CT 06830  
United States of America

**3. Investment Objective and Policy**

The Sub-Fund will seek to invest at least two thirds of the total assets of the Sub-Fund in a broadly diversified portfolio of high yield (below investment grade) fixed income transferable debt securities issued by public or private companies domiciled or listed in the United States.

Furthermore, the Sub-Fund may use financial derivative instruments in order to hedge foreign exchange and currency risk borne by the investor which will invest in the non-USD denominated Shares of the Sub-Fund.

The Sub-Fund may also make short-term investments in cash or in Money Market Instruments to either maintain liquidity or for short-term defensive purposes when the Investment Manager believes it is in the best interests of the Shareholders to do so. During these periods, the Sub-Fund may not achieve its objective.

**4. Risk Considerations Specific to the Sub-Fund**

The Sub-Fund will be subject to the risks associated with high yield fixed-income securities. Particularly, Shareholders are warned that, due to the very nature of high yield bonds, the Net Asset Value of the Sub-Fund may have a high volatility.

**5. Investment Restrictions Specific to the Sub-Fund**

In addition to the limits set forth in the section "INVESTMENT RESTRICTIONS" of the Prospectus, the Sub-Fund is NOT allowed to:

- i) invest more than one third of its total assets in securities issued by public or private companies domiciled or listed in Canadian or European markets;
- ii) invest more than one third of its total assets in Money Market Instruments;
- iii) invest more than one quarter of its total assets in convertible securities; or

- iv) invest more than one tenth of its assets in equity.

## 6. Classes

There are currently sixty-four (64) Classes in the Sub-Fund, which shall be denominated in the currencies mentioned hereinafter.

| <i>Class and Currency Denomination</i>  | <i>ISIN</i>  | <i>Class and Currency Denomination</i>       | <i>ISIN</i>  |
|-----------------------------------------|--------------|----------------------------------------------|--------------|
| - Class A - Capitalization: USD;        | LU0765420822 | - Class A – Distribution: USD;               | LU0765421044 |
|                                         |              | - Class A – Distribution (Mdis): USD;        | LU1134538005 |
| - Class A - Capitalization: EUR hedged; | LU0765421127 | - Class A – Distribution: EUR hedged;        | LU0765421390 |
| - Class A - Capitalization: GBP hedged; | LU0765421473 | - Class A – Distribution: GBP hedged;        | LU0765421556 |
| - Class A - Capitalization: CHF hedged; | LU0765421630 | - Class A – Distribution: CHF hedged;        | LU0765421713 |
| - Class A - Capitalization: SEK hedged; | LU0765421804 | - Class A – Distribution: SEK hedged;        | LU0765421986 |
| - Class A - Capitalization: NOK hedged; | LU0765422018 | - Class A – Distribution: NOK hedged;        | LU0765422109 |
| - Class A - Capitalization: DKK hedged; | LU0765422281 | - Class A – Distribution: DKK hedged;        | LU0765422364 |
| - Class A – Capitalization: SGD hedged; | LU1134538187 | - Class A – Distribution: SGD hedged;        | LU1134538260 |
|                                         |              | - Class A – Distribution (Mdis): SGD hedged; | LU1134538344 |
|                                         |              |                                              |              |
| - Class B - Capitalization: USD;        | LU0765422448 | - Class B – Distribution: USD;               | LU0765422521 |
|                                         |              |                                              |              |
| - Class B - Capitalization: EUR hedged; | LU0765422794 | - Class B – Distribution: EUR hedged;        | LU0765422877 |
| - Class B - Capitalization: GBP hedged; | LU0765422950 | - Class B – Distribution: GBP hedged;        | LU0765423099 |
| - Class B - Capitalization: CHF hedged; | LU0765423172 | - Class B – Distribution: CHF hedged;        | LU0765423255 |
| - Class B - Capitalization: SEK hedged; | LU0765423339 | - Class B – Distribution: SEK hedged;        | LU0765423412 |
| - Class B - Capitalization: NOK hedged; | LU0765423503 | - Class B – Distribution: NOK hedged;        | LU0765423685 |
| - Class B - Capitalization: DKK hedged; | LU0765423768 | - Class B – Distribution: DKK hedged;        | LU0765423842 |
| - Class B – Capitalization: SGD hedged; | LU1134538427 | - Class B – Distribution: SGD hedged;        | LU1134538690 |
|                                         |              |                                              |              |
| - Class C - Capitalization: USD;        | LU1134538856 | - Class C – Distribution: USD;               | LU1134539151 |
| - Class C - Capitalization: EUR hedged; | LU1134538930 | - Class C – Distribution: EUR hedged;        | LU1134539235 |
| - Class C - Capitalization: GBP hedged; | LU1134539078 | - Class C – Distribution: GBP hedged;        | LU1134539318 |
| - Class C – Capitalization: CHF hedged; | LU1373146577 | - Class C – Distribution: CHF hedged;        | LU1373146650 |
|                                         |              |                                              |              |
| - Class E - Capitalization: EUR hedged; | LU0765423925 | - Class E - Distribution: EUR hedged;        | LU0765424063 |
|                                         |              |                                              |              |
| - Class F - Capitalization: USD;        | LU0765424147 | - Class F – Distribution: USD;               | LU0765424220 |
|                                         |              | - Class F – Distribution (Mdis): USD;        | LU1134539409 |
| - Class F - Capitalization: EUR hedged; | LU0765424493 | - Class F – Distribution: EUR hedged;        | LU0765424576 |
| - Class F - Capitalization: GBP hedged; | LU0765424659 | - Class F – Distribution: GBP hedged;        | LU0765424733 |
| - Class F - Capitalization: CHF hedged; | LU0765424816 | - Class F – Distribution: CHF hedged;        | LU0765424907 |
| - Class F - Capitalization: SEK hedged; | LU0765425037 | - Class F – Distribution: SEK hedged;        | LU0765425110 |

|                                         |              |                                              |              |
|-----------------------------------------|--------------|----------------------------------------------|--------------|
| - Class F - Capitalization: NOK hedged; | LU0765425201 | - Class F – Distribution: NOK hedged;        | LU0765425383 |
| - Class F - Capitalization: DKK hedged; | LU0765425466 | - Class F – Distribution: DKK hedged;        | LU0765425540 |
| - Class F – Capitalization: SGD hedged; | LU1134539581 | - Class F – Distribution: SGD hedged;        | LU1134539664 |
|                                         |              | - Class F – Distribution (Mdis): SGD hedged; | LU1134539748 |
|                                         |              |                                              |              |
| - Class W - Capitalization: USD;        | LU1134540084 |                                              |              |
|                                         |              |                                              |              |
| - Class X Capitalization – USD.         | LU0765425623 |                                              |              |

## Description of the Classes

### Class A Shares

Class “A” Shares have been more specifically designed for Institutional Investors that are able to meet the higher minimum subscription and minimum holding requirements for Class “A” Shares, as described below, and benefit from reduced fee levels. The Class “A” Shares with the suffix “hedged” will be hedged.

If as a result of a subsequent subscription a Shareholder holding Classes “B”, “E”, or “F” Shares reaches the minimum level of holding required for Class “A” Shares, such Shareholder may apply for Class “A” Shares to be allotted in respect to such subsequent subscription and switch its existing Class of Shares into Class “A” Shares. Shareholders cannot switch Class “E” Shares or Class “F” Shares into Class “A” Shares without the prior approval of the Board of Directors. To that end, the Shareholder will make the corresponding request in the application for its subsequent subscription. Conversely, if as a result of a redemption, a Shareholder holding Class “A” Shares falls below the level of holding required for Class “A” Shares, such Shareholder may be deemed to have requested the switching of the balance of its holding into Class “F” Shares. No charge will be levied to the Shareholder for switches between Classes.

The Company will not issue or effect any switch into Class “A” Shares to any investor who does not qualify as a Class “A” Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Class “A” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “A” Institutional Investor. If it appears at any time that a Shareholder of Class “A” Shares is not a Class “A” Institutional Investor, the Company may instruct the Registrar and Transfer Agent to propose that the said Shareholder switches its Shares into Shares of a Class within the relevant Sub-Fund that is not restricted to Class “A” Institutional Investors. In the event that the Shareholder refuses such transfer, the Company will instruct the Registrar and Transfer Agent to redeem the relevant Shares in accordance with the provisions of the Articles of Incorporation.

### Class B Shares

Class “B” Shares are dedicated for all other Institutional Investors that do not meet the higher minimum subscription and minimum holding requirements for Class “A” Shares, as described below. The Class “B” Shares with the suffix “hedged” will be hedged.

The Company will not issue or effect any switch into Class “B” Shares to any investor who does not qualify as a Class “B” Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Class “B” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “B” Institutional Investor. If it appears at any time that a Shareholder of Class “B” Shares is not a Class “B” Institutional Investor, the Company may instruct the Registrar and Transfer Agent to propose that the said Shareholder switch its Shares into Shares of a Class within the Sub-Fund that is not restricted to Class “B” Institutional Investors. In the event that the Shareholder refuses such transfer, the Company will instruct the Registrar and Transfer Agent to redeem the relevant Shares in accordance with the provisions of the Articles of Incorporation.

#### Class C Shares

Class “C” Shares may be offered in certain limited circumstances through certain distribution agents, platforms or financial intermediaries only in the United Kingdom, the Netherlands or Switzerland. Purchases of Class “C” Shares are not subject to an initial sales charge, contingent deferred sales charge or servicing charge and are only available through such financial intermediaries that are not eligible to receive commissions or administrative service fees under local adviser charging rules. Shareholders cannot switch Class “C” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “C” Shares with the suffix “hedged” will be hedged.

#### Class E Shares

Class “E” Euro Shares are for all investors. Shareholders cannot switch Class “E” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “E” Shares with the suffix “hedged” will be hedged.

#### Class F Shares

Class “F” Shares are for all investors. Shareholders cannot switch Class “F” Shares into another Class of Shares in the same or a different Sub-Fund without the prior approval of the Board of Directors. The Class “F” Shares with the suffix “hedged” will be hedged.

#### Class W Shares

Class “W” Shares may be offered in certain limited circumstances for distribution in certain countries and/or through certain sub-distributors. Class “W” Shares are only available to investors who have entered into a separate fee arrangement with the Investment Manager. Any local offering document or supplement to this Prospectus, including those used by the relevant sub-distributor, will refer to the terms to subscribe for Class “W” Shares. The Company may, at its discretion, delay the acceptance of any subscription for Class “W” Shares until such date as the Registrar and Transfer Agent has received sufficient evidence of the qualification of the relevant investor as a Class “W” investor. Shareholders cannot switch Class “W” Shares into another Class of Shares in the same or a different Sub-Fund. The costs for asset management are charged to Shareholders of Class “W” shares as described in any local offering document.

## Class X Shares

Class “X” Shares are reserved for the sole investor (or its affiliates) who invested in that Class during the Sub-Fund’s initial offering period and are not available to other investors. Conversion of Class “X” Shares into any other Class is prohibited. Conversion of Class “A”, Class “B”, Class “C”, Class “E”, Class “F”, and Class “W” shares into Class “X” Shares is prohibited. Class “X” Shares are not subject to an annual management fee.

### **7. Distribution Policy**

Under normal circumstances, the Sub-Fund does not intend to declare and make distributions with respect to the net investment income and realized capital gains, if any, attributable to the Capitalization Classes of the Sub-Fund. Accordingly, the net investment income of the Capitalization Classes of the Sub-Fund will neither be declared nor distributed. However, the Net Asset Value per Share of these Capitalization Classes will reflect any net investment income or capital gains.

Under normal circumstances, the Sub-Fund intends to make distributions on a monthly basis with respect to the Class A Distribution Classes and Class F Distribution Classes identified with the suffix “(Mdis)” and on a semi-annual basis with respect to Class A, Class B, Class E and Class F, Distribution Classes or at other time(s) to be determined by the Board of Directors, with respect to the net income, if any, attributable to the Distribution Classes.

The Company shall make distributions, with respect to the net income, if any, attributable to Distribution Classes denominated in DKK which (i) must be paid in cash only; (ii) must be paid on a semi-annual basis; and (iii) may not exceed the respective accumulated net investment income in any of such Distribution Classes denominated in DKK. This paragraph may only be amended if the provisions in the Articles of Incorporation concerning the distribution policy of Distribution Classes denominated in DKK are amended by a meeting of the shareholders of the Company. Shareholders are advised that amendments to the Articles of Incorporation will require a majority of two-thirds (2/3) of the votes cast at such a meeting. Fifty (50) percent of the outstanding share capital of the Company must be represented to have a quorum. Each share is entitled to one vote. If the quorum is not reached, a second meeting will be convened with the same agenda. There is no quorum required for this reconvened meeting and the resolutions will be passed by a majority of two-thirds (2/3) of the votes cast at such meeting.

### **8. Minimum Subscription and Minimum Holding Requirements<sup>1</sup>**

| <b>Class</b>                  | <b>A</b>   | <b>B</b>  | <b>C</b> | <b>E</b> | <b>F</b> | <b>W</b>   | <b>X</b> |
|-------------------------------|------------|-----------|----------|----------|----------|------------|----------|
| Minimum initial subscription  | 65,000,000 | 1,000,000 | 500      | 500      | 500      | 10,000,000 | None     |
| Minimum subsequent investment | None       | None      | None     | None     | None     | None       | None     |
| Minimum holding requirement   | 30,000,000 | 1,000,000 | 500      | 500      | 500      | 100,000    | None     |

<sup>1</sup> All minima are stated in U.S. Dollars.

The Board of Directors may, in its sole discretion, waive or modify the foregoing requirements in particular cases.

## **9. Subscriptions**

Subscription applications should be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Subscription requests received and approved, or deemed to be received and approved, by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end after the Dealing Deadline will be deemed to have been received on the next Valuation Day and Shares will then be issued at the price applicable to that next Valuation Day.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Paying Agent within three (3) Business Days after the subscription has been processed. Exceptions to the foregoing due to incongruous settlement dates in the Reference Currency of the relevant Class may be accepted at the discretion of the Board of Directors.

## **10. Redemptions**

Redemption applications must be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Redemption requests received or deemed to be received by the Registrar and Transfer Agent or by other banks, sub-distributors and financial institutions authorised to that end later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be redeemed at the price applicable to that next Valuation Day.

Redemption proceeds will be settled as soon as reasonably practicable and normally within three (3) Business Days of the Valuation Day at a redemption price per Share determined by reference to the Net Asset Value of the Sub-Fund on the relevant Valuation Day. There is no minimum redemption amount.

## **11. Switches**

Subject to the minimum holding requirements for each Class, Shareholders may switch Shares of a Class of the Sub-Fund into Shares of another Class of the Sub-Fund or of another sub-fund of the Company without any charge. There is no minimum switching amount.

Switching applications must be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end no later than the Dealing Deadline.

Switching requests received or deemed to be received by the Registrar and Transfer Agent or the other banks, sub-distributors and financial institutions authorised to that end later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be switched at the price applicable to that next Valuation Day.

## 12. Fees

### Fees Payable by Shareholders

The Distributor may charge and receive the following fees from Shareholders:

| Class        |                              | A    | B    | C    | E    | F    | W    | X    |
|--------------|------------------------------|------|------|------|------|------|------|------|
| One-Off Fees | Maximum Initial Sales Charge | None | None | None | 2%   | 2%   | None | None |
|              | Maximum Redemption Fees      | None |
|              | Maximum Switching Fees       | None |

### Fees Payable by the Sub-Fund

The following is a summary of the maximum fees payable by the Company to the Investment Manager, Distributor, Administrator, Custodian, and Management Company:

| Class           |                                                                                           | A                         | B     | C     | E     | F     | W     | X     |
|-----------------|-------------------------------------------------------------------------------------------|---------------------------|-------|-------|-------|-------|-------|-------|
| Ongoing Charges | Maximum Annual Management Fees                                                            | Please see Item 19 below. |       |       |       |       |       |       |
|                 | Maximum Annual Distribution Fees                                                          | None                      | None  | None  | 0.35% | None  | None  | None  |
|                 | Maximum Annual Registrar and Transfer Agent, Domiciliary, Corporate and Paying Agent Fees | 0.05%                     | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% |
|                 | Maximum Annual Custodian Fees                                                             | 0.01%                     | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% |
|                 | Maximum Annual Management Company Fees                                                    | 0.02%                     | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% |

### Ongoing Charges

To the extent that the Ongoing Charges per Class exceed the percentage for each Class of Shares noted under Item 19 below during any financial year, such excess amount shall be paid by the Investment Manager, subject to recoupment by the Investment Manager over a period not exceeding five years. For the avoidance of doubt, the recoupment will not lead to the aforementioned Ongoing Charges being exceeded.

## 13. Reference Currency

The Reference Currency of the Sub-Fund is the U.S. Dollar. The Reference Currency of each Class is indicated in Item 6 above.

**14. Business Day**

A Business Day is a day on which banks in Luxembourg and New York are open all day for business.

**15. Valuation Day**

Every Business Day shall be a Valuation Day.

**16. Dealing Deadline**

The Dealing Deadline is 12:00 Noon Luxembourg time on the applicable Valuation Day.

**17. Listing**

Shares of the Sub-Fund are currently not listed on any stock exchange. The Board of Directors may, in its sole discretion, make an application for the listing of the Shares on the Luxembourg Stock Exchange or any other stock exchange.

**18. Profile of the Typical Investor**

Typical investors would seek a high level of current income primarily through exposure to below-investment grade debt securities of U.S. companies while accepting and understanding the relatively higher risk of loss and commensurate higher volatility associated with such investments.

**19. Maximum Annual Management Fees and Maximum Ongoing Charges**

| <i>Class and Currency Denomination</i>  | <i>Maximum Annual Management Fees</i> | <i>Maximum Ongoing Charges</i> | <i>Class and Currency Denomination</i>       | <i>Maximum Annual Management Fees</i> | <i>Maximum Ongoing Charges</i> |
|-----------------------------------------|---------------------------------------|--------------------------------|----------------------------------------------|---------------------------------------|--------------------------------|
| - Class A - Capitalization: USD;        | 0.45%                                 | 57 bps                         | - Class A – Distribution: USD;               | 0.45%                                 | 57 bps                         |
|                                         |                                       |                                | - Class A – Distribution (Mdis): USD;        | 0.45%                                 | 57 bps                         |
| - Class A - Capitalization: EUR hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: EUR hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: GBP hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: GBP hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: CHF hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: CHF hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: SEK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: SEK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: NOK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: NOK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: DKK hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: DKK hedged;        | 0.45%                                 | 60 bps                         |
| - Class A - Capitalization: SGD hedged; | 0.45%                                 | 60 bps                         | - Class A – Distribution: SGD hedged;        | 0.45%                                 | 60 bps                         |
|                                         |                                       |                                | - Class A – Distribution (Mdis): SGD hedged; | 0.45%                                 | 60 bps                         |
|                                         |                                       |                                |                                              |                                       |                                |
| - Class B - Capitalization: USD;        | 0.75%                                 | 87 bps                         | - Class B – Distribution: USD;               | 0.75%                                 | 87 bps                         |
| - Class B - Capitalization: EUR hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: EUR hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: GBP hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: GBP hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: CHF hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: CHF hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: SEK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: SEK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: NOK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: NOK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B - Capitalization: DKK hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: DKK hedged;        | 0.75%                                 | 90 bps                         |
| - Class B – Capitalization: SGD hedged; | 0.75%                                 | 90 bps                         | - Class B – Distribution: SGD hedged;        | 0.75%                                 | 90 bps                         |
|                                         |                                       |                                |                                              |                                       |                                |
| - Class C - Capitalization: USD;        | 0.50%                                 | 65 bps                         | - Class C – Distribution: USD;               | 0.50%                                 | 65 bps                         |
| - Class C - Capitalization: EUR hedged; | 0.50%                                 | 68 bps                         | - Class C – Distribution: EUR hedged;        | 0.50%                                 | 68 bps                         |
| - Class C - Capitalization: GBP hedged; | 0.50%                                 | 68 bps                         | - Class C – Distribution: GBP hedged;        | 0.50%                                 | 68 bps                         |

|                                         |       |         |                                              |       |         |
|-----------------------------------------|-------|---------|----------------------------------------------|-------|---------|
| - Class C – Capitalization: CHF hedged; | 0.50% | 68 bps  | - Class C – Distribution: CHF hedged         | 0.50% | 68 bps  |
|                                         |       |         |                                              |       |         |
| - Class E - Capitalization: EUR hedged; | 1.00% | 155 bps | - Class E - Distribution: EUR hedged;        | 1.00% | 155 bps |
|                                         |       |         |                                              |       |         |
| - Class F - Capitalization: USD;        | 1.00% | 117 bps | - Class F – Distribution: USD;               | 1.00% | 117 bps |
|                                         |       |         | - Class F – Distribution (Mdis): USD;        | 1.00% | 117 bps |
| - Class F - Capitalization: EUR hedged; | 1.00% | 120 bps | - Class F – Distribution: EUR hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: GBP hedged; | 1.00% | 120 bps | - Class F – Distribution: GBP hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: CHF hedged; | 1.00% | 120 bps | - Class F – Distribution: CHF hedged;        | 1.00% | 120 bps |
| - Class F - Capitalization: SEK hedged; | 1.10% | 130 bps | - Class F – Distribution: SEK hedged;        | 1.10% | 130 bps |
| - Class F - Capitalization: NOK hedged; | 1.10% | 130 bps | - Class F – Distribution: NOK hedged;        | 1.10% | 130 bps |
| - Class F - Capitalization: DKK hedged; | 1.10% | 130 bps | - Class F – Distribution: DKK hedged;        | 1.10% | 130 bps |
| - Class F – Capitalization: SGD hedged; | 1.00% | 120 bps | - Class F – Distribution: SGD hedged;        | 1.00% | 120 bps |
|                                         |       |         | - Class F – Distribution (Mdis): SGD hedged; | 1.00% | 120 bps |
|                                         |       |         |                                              |       |         |
| - Class W - Capitalization: USD;        | None  | 12 bps  |                                              |       |         |
|                                         |       |         |                                              |       |         |
| - Class X – Capitalization: USD.        | None  | 12 bps  |                                              |       |         |

## **ADDITIONAL INFORMATION FOR INVESTORS IN CERTAIN COUNTRIES**

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### **AUSTRIA**

#### **REGISTRATION AND SUPERVISION**

The Company is registered in Austria with the Financial Market Authority (“*Finanzmarktaufsicht*” or “*FMA*”) pursuant to the Federal Law on Investment Funds.

#### **PAYING AGENT**

Pursuant to pursuant to section 141 of the Austrian Investment Funds Act, Official Gazette no 2011/77, the Company has appointed Société Générale, through its Vienna Branch, to assume the function of domestic paying agent and domestic information centre (the “Paying Agent”). The details of the Paying Agent are as follows:

Société Générale  
Vienna Branch  
Prinz Eugen Strasse 32, A-1040  
Vienna, Austria

Investors may buy, sell and switch Shares in accordance with the procedures laid out in this Prospectus or through the Paying Agent. All payments made to shareholders (*e.g.*, proceeds, dividend distributions and other payments) can be executed through the Paying Agent.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

A copy of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports may also be obtained free of charge from the Paying Agent at the address noted above or the Website. This information is always available in the English language, together with the KIIDs in the German language.

#### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, is available as set forth in the section entitled “Publication of Prices” herein. The Net Asset Value per Share, Subscription Price and Redemption Price may also be obtained from the Paying Agent at the address noted above.

#### **TAX REPORTING**

It is intended that certain Share classes offered by the Company will meet the conditions to qualify as “reporting” under applicable Austrian tax legislation. The Company currently provides tax reporting to the Oesterreichische Kontrollbank (“*OeKB*”) with respect to certain classes of Shares. Investors in Austria may benefit from reduced tax rates with respect to these

particular Share classes. It should be noted that this information does not constitute legal or tax advice. Investors should consult their tax advisor about any tax consequences of investing in the Company taking into account their specific investment needs and, as the case may be, the relevant Fund(s) of the Company.

## **BELGIUM**

### **REGISTRATION AND SUPERVISION**

The Company is registered with the Financial Services and Markets Authority (the “**FSMA**”) pursuant to the law of 3 August 2012 on certain forms of collective management of investment portfolios and the Royal Decree of 12 November 2012 on certain public undertakings for collective investment. The Company is authorised to publicly market its Shares in Belgium.

### **FINANCIAL SERVICING AGENT**

JP Morgan Europe Limited, through its Brussels Branch, has assumed the function of intermediary in charge of the financial service in Belgium (“Financial Servicing Agent”). The details of the Financial Servicing Agent are as follows:

JP Morgan Europe Limited  
Brussels Branch I  
Boulevard du Roi Albert II  
B-1210 Brussels  
Belgium

Investors may buy, sell and switch Shares in accordance with the procedures laid out in this Prospectus or through the Financial Servicing Agent.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein. The Net Asset Value per Share is also published online at [www.beama.com](http://www.beama.com), the website of the Belgian Asset Managers Association.

### **NOTICES TO SHAREHOLDERS**

Information published in the Company’s country of origin, *i.e.*, Luxembourg, will also be communicated to Belgian shareholders.

## **CHILE**

With respect to the investors located in the Republic of Chile ("Chile"), the Shares of the Company are not and will not be subject to the law of Chile (Ley No. 18,045 "Ley de Mercado de Valores") and are not, and will not be, registered in Chile with the Superintendencia de Valores y Seguros ("SVS"). No person is obligated or intends to register the Shares of the Company with the SVS. This document does not represent a public offering of securities under Chilean law and/or to Chilean nationals. The Shares of the Company are being offered solely to specific investors through a private offer. Investors should consider the risks of the offer.

## **DENMARK**

### **REGISTRATION AND SUPERVISION**

The Company is registered in Denmark with the Financial Supervisory Authority (the "Danish FSA"). The Company is authorised to publicly market its Shares in Denmark.

### **DANISH REPRESENTATIVE**

The Company has appointed SEB Norway as its Danish representative (the "Representative") under Section 8 of Danish Executive Order no. 1298 of 14 December 2012 on Foreign Investments Undertakings Marketing in Denmark. The fees of the Representative are payable at normal commercial rates. The details of the Representative are as follows:

SEB  
GTS Custody Services  
SEB Merchant Banking  
Bernstorffsgade 50,  
DK-1577 Copenhagen V.  
Denmark

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled "Material Contracts" herein are available as set forth in the section entitled "Documents Available for Inspection" herein.

This information is always available in the English language, together with the KIIDs in the Danish language.

### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price are available as set forth in the section entitled "Publication of Prices" herein.

## **FINLAND**

### **REGISTRATION AND SUPERVISION**

The Company is registered for marketing in Finland with the Finnish Financial Supervisory Authority. The Company is authorised to publicly market its Shares in Finland.

### **PAYING AGENT**

Skandinaviska Enskilda Banken AB (publ) has assumed the function of domestic paying agent (“Paying Agent”). The details of the Paying Agent are as follows:

Skandinaviska Enskilda Banken AB (publ)  
Helsinki Branch  
FI - 00101 Helsinki

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

This information is always available in the English language, together with the KIIDs in Finnish.

### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein.

## **FRANCE**

### **REGISTRATION AND SUPERVISION**

The Company is registered in France with the Autorité des Marchés Financiers (“AMF”) pursuant to Article 412-28 of the General Regulation of the AMF (*Règlement Général de l’AMF*) and AMF Instruction No. 2011-19 of 21/12/2011. The Company is authorised to publicly market its Shares in France.

### **CENTRAL CORRESPONDENT**

Société Générale has assumed the function of central correspondent in France (the “Central Correspondent”). The details of the Central Correspondent are as follows:

Societe Generale – Paris Branch  
75886 PARIS CEDEX 18  
France

Investors may buy, sell and switch Shares in accordance with the procedures laid out in this Prospectus or through the Central Correspondent.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” in the Prospectus are available as set forth in the section entitled “Documents Available for Inspection” in the Prospectus.

The Central Correspondent will also provide to shareholders all documentation issued by the Company and intended for shareholders, including the latest available Reports. This information is always available in the English language, together with the KIIDs in French.

## **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” in the Prospectus.

## **GERMANY**

### **REGISTRATION AND SUPERVISION**

The Company is registered in Germany with the German Financial Supervisory Authority (“*Bundesanstalt für Finanzdienstleistungsaufsicht*”, or “*BaFin*”) pursuant to section 310 of the German Investment Code (KAGB). The Company is authorised to publicly market its Shares in Germany.

### **INFORMATION AND PAYING AGENT**

J.P. Morgan AG has undertaken the role of information and paying agent in Germany in accordance with section 309 of the Investment Code (the “Information and Paying Agent”). The details of the Information and Paying Agent are as follows:

J.P. Morgan AG  
Junghofstraße 14  
60311 Frankfurt  
Federal Republic of Germany

Investors may buy, sell and switch Shares in accordance with the procedures laid out in this Prospectus or through the Information and Paying Agent.

German resident investors can request that the redemption proceeds, possible dividends and other payments due to them are paid through the Information and Paying Agent. In this case, the payments will be transferred to an account designated by the investor or paid in cash.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

A copy of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports may also be obtained at the offices of the Information and Paying Agent, at the address noted above.

Copies of the following material contracts and other relevant documents concerning the Company are available to view free of charge at the offices of the Information and Paying Agent:

- The Management Company Services Agreement;
- The Investment Management Agreement;
- The Principal Distribution Agreement;
- The Global Custody Agreement;
- The Administration Agreement;
- The UCITS Regulations and the UCITS Notices; and
- A list of the directorships and partnerships of each of the Directors over the previous five years, indicating whether such directorship and partnership are current.

### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” in the Prospectus. The Net Asset Value per Share, Subscription and Redemption Price are also available free of charge upon request at the offices of the Information and Paying Agent.

### **NOTICES TO SHAREHOLDERS**

Notices to Shareholders from the Company will be published in the Federal Gazette (“*Bundesanzeiger*”). Notices to Shareholders are also available free of charge upon request at the offices of the Information and Paying Agent.

### **ADDITIONAL INFORMATION TO INVESTORS**

Additionally, the investors in Germany will be informed through a durable medium, in accordance with section 167 of the Investment Code, about:

- the suspension of the redemption of the shares;
- the termination of the management or liquidation of the Company or a sub-fund;
- changes to the Articles of Association that are incompatible with the existing investment policies, that affect material investor rights or that affect the fees and reimbursement of expenses that can be paid out of the assets of the fund;
- the merger of investment funds, in the form of the information on the merger that is required to be prepared according to article 43 of the Directive 2009/65/EC; and
- the conversion of an investment fund into a feeder fund or changes to a master fund in the form of the information that are required to be prepared according to article 64 of the Directive 2009/65/EC.

## **TAX REPORTING**

It is strongly recommended that investors seek professional advice concerning the tax consequences of the purchase of the Company's shares prior to making an investment decision.

The Company currently qualifies as an investment fund pursuant to Art. 1(1b) of the German Investment Tax Act (*Investmentsteuergesetz*) ("Tax Act"), and it is intended that certain classes of Shares will comply with the publication requirements under the Tax Act in order to qualify them as tax transparent within the meaning of the Tax Act. Nonetheless, it cannot be guaranteed that the applicable requirements of the Tax Act will be fully and permanently met with respect to these Share classes. It should be noted that this information does not constitute legal or tax advice and investors and prospective investors are urged to seek professional advice as regards tax legislation applicable to the acquisition, holding and disposal of Shares as well as that applicable to distributions made by the Company.

### **ISRAEL**

Shares of the Sub-Funds are only being offered in the State of Israel based on an exemption under the Israeli Securities Law, 1968 and the Joint Investment Trust Laws, 1994. The offering of Shares does not therefore constitute an offer made to the public in Israel within the meaning given to it in such legislation. Shares of the Sub-Funds are being offered only to "institutional investors" and to no more than 35 retail investors.

Shares have not been registered and a prospectus was not issued under the Israel Securities Law, 1968. The Company is not regulated under the provisions of the Joint Investment Trusts Law, 1994. Neither the Shares nor other materials about the Sub-Funds has been approved by any Israeli authority. No action has been or will be taken in the State of Israel that would permit a public offering of the Shares or distribution of offering material in connection with the Shares to the public in Israel. It is the responsibility of any person wishing to purchase Shares to satisfy himself as to the full observance of the laws of the State of Israel in connection with any such purchase, including obtaining any governmental or other consent, if required.

Neither the Sub-Funds nor their Investment Managers are licensed under the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995, and the information regarding the Shares does not constitute investment advice or investment marketing as defined therein. In making an investment decision, investors must only rely on their own examination of the Sub-Fund and the terms of the offering, including the merits and risks involved, and should seek advice from appropriate advisors with respect to the legal, account, tax and financial ramifications of purchasing the Shares.

### **NETHERLANDS**

#### **REGISTRATION AND SUPERVISION**

The Company is a Luxembourg UCITS registered in the register kept by the Dutch Authority for the Financial Markets ("AFM") pursuant to Section 1:107 Wft. The Company is authorised to publicly market its Shares in the Netherlands.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

This information is always available in the English language, together with the KIIDs in the Dutch language.

## **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” in the Prospectus.

## **NORWAY**

### **REGISTRATION AND SUPERVISION**

The Company is registered in Norway with the Financial Supervisory Authority (Finanstilsynet) (“FSA”). The Company is authorised to publicly market its Shares in Norway.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

## **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein.

## **SINGAPORE**

The offer or invitation of the Shares, which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or recognised under section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and Shares are not allowed to be offered to the retail public. Each of this Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under

Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions, specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305, or by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 except:
  - (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
  - (2) where no consideration is or will be given for the transfer;
  - (3) where the transfer is by operation of law; or
  - (4) as specified in Section 305A(5) of the SFA.

## **SPAIN**

### **REGISTRATION AND SUPERVISION**

The Company is registered in Spain with the Comisión Nacional del Mercado de Valores ("CNMV") pursuant to Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva BOE 5 Noviembre 2003, as amended. The Company is authorised to publicly market its Shares in Spain.

### **DESIGNATED DISTRIBUTOR**

The Company has appointed Allfunds Bank as the designated distributor in Spain (the "Designated Distributor"). The details of the Designated Distributor are as follows:

Allfunds Bank  
C/ Estafeta nº 6 (La Moraleja)  
Complejo Pza. De la Fuente- Edificio 3  
28109 Alcobendas (Madrid)

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled "Material Contracts" herein are available as set forth in the section entitled "Documents Available for Inspection" herein.

This information is always available in the English language, together with the KIIDs in Spanish.

#### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein.

### **SWEDEN**

#### **REGISTRATION AND SUPERVISION**

The Company is registered in Sweden with the Financial Supervisory Authority (*Finansinspektionen*) (“FSA”). The Company is authorised to publicly market its Shares in Sweden.

#### **SWEDISH PAYING AGENT**

The Company has appointed Skandinaviska Enskilda Banken (publ) AB (“SEB”) as its Swedish paying agent (the “Paying Agent”). The details of the Paying Agent are as follows:

Skandinaviska Enskilda Banken (publ) AB  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm, Sweden

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

This information is always available in the English language, together with the KIIDs in the Swedish language.

#### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein and from the Paying Agent.

### **SWITZERLAND**

#### **REGISTRATION AND SUPERVISION**

The Company is registered in Switzerland with the Financial Market Supervisory Authority (“FINMA”) pursuant to the Swiss Federal Act of 23 June 2006 on Collective Investment Schemes, as amended (“CISA”) and the accompanying Swiss Federal Ordinance of 22

November 2006 on Collective Investment Schemes, as amended (“CISO”). The Company is authorised to publicly market its Shares in Switzerland.

#### **SWISS REPRESENTATIVE**

The representative of the Fund in Switzerland (“Swiss Representative”) is:

Until 29 February 2016:       ACOLIN Fund Services AG  
Stadelhoferstrasse 18CH-8001 Zurich, Switzerland

As from 1 March 2016:       ACOLIN Fund Services AG  
Affolternstrasse 56  
CH-8050, Zurich, Switzerland

#### **PAYING AGENT**

The paying agent of the Fund in Switzerland (“Swiss Paying Agent”) is:

Until 31 March 2016:       JP Morgan Chase Bank  
National Association  
Columbus  
Zurich Branch  
Dreikonigstrasse 21 CM-8002  
Zurich, Switzerland

As from 1 April 2016:       Banque Cantonale Vaudoise  
Place St.-François 14  
1001 Lausanne  
Switzerland

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contracts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

A copy of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports may be obtained free of charge from the Swiss Representative.

#### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” herein.

The Net Asset Value per Share together with a footnote stating “excluding commissions” per Share for all relevant share classes will be published each day on [www.fundinfo.com](http://www.fundinfo.com).

#### **NOTICES TO SHAREHOLDERS**

Publications regarding the Company are made in Switzerland on [www.fundinfo.com](http://www.fundinfo.com).

## **PAYMENT OF REMUNERATIONS AND DISTRIBUTION REMUNERATION**

In connection with distribution in Switzerland, the Company may pay reimbursements to the following qualified investors who, from the commercial perspective, hold the units of collective investment schemes for third parties:

- life insurance companies
- pension funds and other retirement provision institutions
- investment foundations
- Swiss fund management companies
- foreign fund management companies and providers
- investment companies.

In connection with distribution in Switzerland, the Company may pay distribution remunerations to the following distributors and sales partners:

- distributors subject to the duty to obtain authorisation pursuant to Art. 13 and 19 CISA
- distributors exempt from the duty to obtain authorisation pursuant to Art. 13.3 CISA and Art. 8 CISO
- sales partners who place the units of collective investment schemes exclusively with institutional investors with professional treasury facilities
- sales partners who place the units of collective investment schemes exclusively on the basis of a written asset management mandate.

## **PLACE OF PERFORMANCE AND JURISDICTION**

With respect to all Shares distributed in and from Switzerland, the place of performance and jurisdiction is deemed to be the registered office of the Representative in Switzerland.

### **TAIWAN (Republic of China)**

The Shares are not registered in Taiwan and may not be sold, issued or offered in Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Shares in Taiwan. The Shares may be made available in Taiwan on a private placement basis only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, "Qualified Institutions") and other entities and individuals meeting specific criteria ("Other Qualified Investors") pursuant to the private placement provisions of the Taiwan Rules Governing Offshore Funds.

No other offer or sale of the Shares in the Taiwan is permitted. Taiwan purchasers of the Shares may not sell or otherwise dispose of their holdings except by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the Taiwan Financial Supervisory Commission.

## **UNITED KINGDOM**

### **REGISTRATION AND SUPERVISION**

The Company is recognized in the UK by the Financial Conduct Authority (“FCA”) pursuant to section 264 of the Financial Services and Markets Act 2000, as amended. The Company is authorised to publicly market its Shares in the UK.

### **FACILITIES AGENT**

In connection with the Company’s recognition under section 264 of the Financial Services and Markets Act 2000, as amended (“FSMA”), the Company has appointed J.P. Morgan Chase Bank, N.A. (the “Facilities Agent”), acting through its London Branch, to maintain the facilities required of the operator of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the FCA as part of the FCA’s Handbook of Rules and Guidance. Such facilities will be located at the business office of the Facilities Agent. The business office of the Facilities Agent is as follows:

JPMorgan Chase Bank, N.A.  
London Branch  
125 London Wall  
Greater London  
EC2Y 5AJ

Investors may effect the buying, selling and switching of Shares in accordance with the procedures laid out in this Prospectus or through the Facilities Agent.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs, the latest available Reports and the contacts noted in the section entitled “Material Contracts” herein are available as set forth in the section entitled “Documents Available for Inspection” herein.

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports as well as the contacts noted in the section entitled “Material Contracts” herein are also available for inspection at the business office of the Facilities Agent.

A copy of the Articles of Incorporation, the most recent Prospectus, the most recent KIIDs and the latest available Reports may also be obtained free of charge at the business office of the Facilities Agent.

### **PUBLICATION OF PRICES**

The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, are available as set forth in the section entitled “Publication of Prices” in this Prospectus.

Investors should note that the Net Asset Value per Share, as well as the Subscription Price and Redemption Price, may also be obtained from the Facilities Agent.

## **COMPLAINTS**

Complaints about the operation of the Company may be submitted to the registered office of the Company directly or through the Facilities Agent.

## **TAX REPORTING**

It is intended that certain classes of Shares offered by the Company will meet the conditions to qualify as “reporting” for the purposes of the UK tax legislation relating to offshore funds. The related annual reports to investors will be made available online at [www.skyharborglobalfunds.com](http://www.skyharborglobalfunds.com). It is intended that gains arising on a redemption or other disposal of Shares which do have “UK Reporting Fund Status” by UK resident or ordinarily resident investors (whether individual or corporate) will be chargeable to UK capital gains tax or corporation tax on capital gains. Investors should consult their tax advisor about any tax consequences of investing in the Company taking into account their specific investment needs and, as the case may be, the relevant Fund(s) of the Company.

The following is a summary of the expected United Kingdom tax treatment of Shareholders based upon current law and practice (which in either case may change and potentially with retrospective effect). The summary below is addressed to investors who hold their interest as an investment and not as part of a trade such as dealing in securities. This summary does not cover all aspects of United Kingdom tax law. It does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the tax implications of their investment in the Company.

### **Shareholders**

Subject to their personal circumstances, Shareholders resident in the United Kingdom for United Kingdom tax purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Company (including deemed distributions or distributions that are automatically reinvested). United Kingdom resident individual Shareholders may, in certain circumstances, be entitled to a non-payable tax credit, which may reduce their liability to United Kingdom income tax in respect of such distributions.

Shareholders who are resident or ordinarily resident in the United Kingdom for United Kingdom taxation purposes should be aware that their Shares will constitute interests in an “offshore fund” for the purposes of the United Kingdom Offshore Funds (Tax) Regulations 2009 (the “Regulations”). Where such a person holds such an interest, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income and not as capital gain, unless the offshore fund (or the particular class of interests in the fund held by that person, which class is deemed to be a separate “offshore fund” for these purposes) has been for United Kingdom tax purposes a “reporting fund” throughout the period during which that person has held that interest.

The Investment Manager intends to make an application to the United Kingdom HM Revenue & Customs (“HMRC”) in respect of certain Classes for Shares of such Classes to be treated as Shares in a “Reporting Fund” United Kingdom tax purposes with effect from the beginning of the Company’s accounting period (each a “Reporting Fund Class”).

Accordingly, any gain realised by United Kingdom resident or ordinary resident Shareholders upon the sale, redemption or other disposal of Shares of a Reporting Fund Class will be taxed at the time of such sale, redemption or other disposal as capital gains and not as income. However, under the Regulations, a reporting fund is also required to make available to each investor in the fund for each account period of the fund a report of the income of the fund for that account period which is attributable to the investor's interest in the fund (whether or not such income has been distributed), and such reported income is treated as an additional distribution made by the fund to the investor. A United Kingdom resident or ordinarily resident Shareholder in a Reporting Fund Class will therefore receive from the Company for each account period a report of the income of the Company for that account period which is attributable to their Shares, and will (subject to their particular United Kingdom tax position) be potentially subject to United Kingdom tax on that reported income as if such reported income were a distribution upon their Shares.

The Directors do not intend to apply for any Class of Shares other than the Reporting Fund Classes to be a deemed reporting fund. Accordingly, any United Kingdom resident or ordinarily resident holders of Shares of any Class other than the Reporting Fund Classes should be aware that any gain realised upon the sale, redemption or other disposal of their Shares (including a deemed disposal on death) will be subject to tax as income and not as capital gains.

The precise consequences of the taxation of gains realised upon a disposal of Shares as income or as capital gains will depend upon the particular tax position of each Shareholder, but United Kingdom resident or ordinarily resident Shareholders who are individuals should be aware that capital gains are generally taxed at lower rates of tax than income, and also that where gains are taxed as capital gains it may be possible to utilise capital gains tax exemptions and relief to reduce the tax liability on such gains where such exemptions and reliefs could not be utilised in the case of gains taxed as income. However, Shareholders who are not domiciled in the United Kingdom (and who, where relevant, elect to be taxed on the remittance basis of taxation for the tax year in which such gain is realised) will only be subject to United Kingdom tax on gains realised upon the disposal of their Shares – whether such gains are in principle taxable as capital gains or as income – to the extent that they remit the proceeds of disposal of such Shares to the United Kingdom. Shareholders which are United Kingdom gross funds should also be unaffected by these rules, since their exemption from UK tax on capital gains will extend to gains treated as income.

Shareholders who are within the charge to United Kingdom corporation tax should be aware that where such an investor holds a material interest in an offshore fund and that offshore fund fails, at any time in an accounting period in which the investor holds its material interest, to satisfy the “qualifying investments test”, the investor is required to treat its material interest for that accounting period as if it were rights under a creditor relationship for the purposes of the “loan relationships” regime (which governs the United Kingdom taxation of most forms of corporate debt) contained in the United Kingdom Corporation Tax Act 2009. Shares will constitute material interests in an offshore fund for this purpose. An offshore fund fails to satisfy the qualifying investments test at any time when its investments consist as to more than 60% by market value of, inter alia, government and corporate debt securities, money placed at interest, certain derivative contracts or holdings in collective investment schemes which do not themselves satisfy the qualifying investments test. The investment policies of the Company are such that the Company could fail the qualifying investments test. Shareholders within the charge to United Kingdom corporation tax would in these circumstances be required to account for their interest in the Company under the loan relationships regime, in which case all returns

on their Shares in the relevant accounting period (including gains and losses) would be taxed or relieved as income receipt or expense on a “fair value” basis. Such Shareholders might therefore, depending upon their particular circumstances, incur a charge to United Kingdom corporation tax on an unrealised increase in the value of their Shares (or obtain relief against United Kingdom corporation tax for an unrealised diminution in the value of their Shares).

In the event that the Company is considered “close” for UK tax purposes then any Shareholder resident or ordinarily resident in the United Kingdom with an entitlement exceeding 10% of any gain that accrues to the Company may be subject to certain anti-avoidance legislation (contained in section 13 Taxation of Chargeable Gains Act 1992 (“TCGA”)) in respect of any capital gains made by the Company. In the event that a liability arises, it may be applied in reducing or extinguishing any liability to income tax, capital gains tax or corporation tax in respect of a subsequent distribution from the Company of the capital gain made by the Company which gave rise to the liability under section 13 TCGA.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Sections 714 - 751 of the United Kingdom Income Taxes Act 2007 which may render such individuals liable to taxation in respect of any undistributed income of the Company.

The attention of companies resident in the United Kingdom is drawn to the fact that “controlled foreign companies provisions” contained in Sections 747 - 756 of the United Kingdom Income and Corporation Taxes Act 1988 (the “UK Taxes Act”) could be material to any company so resident that holds alone, or together with certain other associated persons, 25% or more of Shares, if at the same time the Company is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes. Persons who may be treated as “associated” with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such United Kingdom companies liable to United Kingdom corporation tax in respect of undistributed income and profits of the Company.

The attention of United Kingdom resident and domiciled investors is drawn to Sections 703 to 709 of the UK Taxes Act (under which HMRC may seek to cancel tax advantages from certain transactions in securities). On the basis of current HMRC practice the Directors do not anticipate that the provisions of Section 703 should apply to the winding up of the Company.

Transfers of shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom where the transfer would be liable to United Kingdom ad valorem stamp duty at the rate of 50p for every £100 or part of £100 of the consideration paid. United Kingdom stamp duty reserve tax will be payable at the rate of 50p for every £100 or part of £100 if shares of the company are listed in the United Kingdom.

## **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch or agency situated there), the Company will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom source income. The Directors and the Investment Manager intend to manage the affairs of the Company and the Investment Manager in such a

way that the Company is not treated as for United Kingdom tax purposes as carrying on a trade in the United Kingdom through the agency of the Investment Manager as its “permanent establishment” by reason of a statutory exemption (the “Investment Manager Exemption”). It cannot however be guaranteed that the conditions of the Investment Manager Exemption will at all times be met.