

# LGT Bond EMMA LC Sub-Fund

## Supplement

to the Prospectus dated 5 September, 2017  
for Crown Sigma UCITS plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to LGT Bond EMMA LC Sub-Fund (the "**Sub-Fund**"), a sub-fund of Crown Sigma UCITS plc (the "**Company**") an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**").

**This Supplement forms part of, may not be distributed (other than to prior recipients of the Prospectus of the Company dated 5 September, 2017, as may be amended from time to time (the "Prospectus"), unless accompanied by, and must be read in conjunction with, the Prospectus.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 5 September, 2017

# Important Information

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE SUB-FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.**

Capitalised terms used in this Supplement will have the meanings given to them in the Definitions section below or in the Prospectus.

## Description of the investment

**It is the intention of the Company to invest on behalf of the Sub-Fund in financial derivative instruments ("FDI(s)") for investment and efficient portfolio management purposes (as detailed below under "Use of Financial Derivative Instruments ") where applicable.**

**Certain risks attached to investments in FDIs are set out in the Prospectus under "Risk Factors". The Directors of the Company expect that the Net Asset Value of the Sub-Fund will have medium to high volatility through investments in the FDIs.**

**The Sub-Fund may also invest more than 20% of its Net Asset Value in Emerging Markets. Accordingly, an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## Suitability of Investment

Investment in the Sub-Fund is suitable for investors seeking capital growth, with a medium term investment time horizon who are willing to set aside capital for at least 4 years primarily seeking constant returns and who are prepared to accept a moderate to high level of volatility from time to time.

The Directors expect that the Net Asset Value per Share of the Sub-Fund will have medium to high volatility. There can be no assurance that the Sub-Fund will achieve its investment objective and investment results may vary substantially on a monthly, quarterly and annual basis, and over the course of a market cycle.

**You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## Responsibility

The Directors of Crown Sigma UCITS plc, whose names appear in the Directors of the Company section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## **General**

This Supplement sets out information in relation to the Shares and the Sub-Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

# Definitions

Unless otherwise defined herein or the context otherwise requires all defined terms used in this Supplement shall have the same meaning as in the Prospectus as may be amended from time to time. In this Supplement:

<b>"Base Currency"</b>	Euro. The currencies of Classes of Shares may differ and shall be set out in the relevant Class Supplement.
<b>"Business Day"</b>	means any day on which banks are open for business in Ireland, Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the sub-funds and/or such other place or places as the Directors may, with the consent of the Depositary, determine.
<b>"Cash Equivalents"</b>	shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances which meet the requirements of the UCITS Regulations.
<b>"Collective Investment Scheme" or "CIS"</b>	means an open-ended collective investment scheme within the meaning of Regulation 3(2) of the UCITS Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme.
<b>"Convertible Bond"</b>	means a special type of bond which not only provides the bondholder with an interest payment but also the right to convert the bond into (typically) stock of the bond issuer. A convertible bond can therefore also be interpreted as a bond with an embedded option.
<b>"Credit Default Swaps" or "CDS"</b>	means a financial derivative instrument whereby a party (Protection Buyer) can hedge its credit risk which is then borne by its CDS counterparty (Protection Seller). The Protection Seller has to pay a pre-determined amount to the Protection Buyer upon occurrence of a specified credit event. The credit event is typically the insolvency, payment default or restructuring of a single or a basket of issuers or bonds. In turn during the term of the CDS the Protection Buyer pays a fee to the Protection Seller. The fee is dependent upon the perceived amount of credit risk transferred. A CDS is traded over-the-counter (OTC) i.e. it is individually negotiated and not traded on exchange.
<b>"Credit Linked Note" or "CLN"</b>	means a fixed income security typically issued by banks which has the characteristics of a bond with the addition that the repayment of the principal amount at maturity by the issuer is subject to the non-occurrence of a credit event specified in the CLN's terms. The credit event is typically the insolvency, payment default or restructuring of a single or a basket of issuers or bonds. In case a credit event occurs, an amount stipulated in the CLN's terms is deducted from its principal amount and the remainder repaid to the CLN holders. The deducted amount largely depends on the type of credit event of the CLN but with a maximum equal to the principal amount. Therefore typically the issuer pays, in addition to fixed coupon payment, a risk premium to the CLN's holders in return for the right to reduce the principal amount upon occurrence of the credit event. A CLN can therefore also be interpreted as a bond with an embedded CDS.
<b>"Dealing Day"</b>	means the Business Day immediately following the Valuation Day or such other day or days as the Directors may, with the consent of the Depositary, determine and notify in advance the Shareholders provided that there is at least one per fortnight.
<b>"Dealing Deadline"</b>	with respect to each Valuation Day, 1 p.m. Irish time on the second Business Day preceding the relevant Dealing Day (or such other times as may be determined by any two Directors and notified to Shareholders in advance).
<b>Duration Management</b>	means with regards to fixed income securities and debt instruments the management of the average time to maturity of a portfolio considering the interest rate sensitivity of

the relevant instruments and the perceived interest rate trend and change risk at the relevant point in time. Generally the Investment Manager would tend to lower the overall portfolio duration in the case of rising interest rates and increase duration when interest rates are decreasing.

<b>"Exchange Traded Fund" or "ETF"</b>	means exchange traded fund.
<b>"Initial Subscription Day"</b>	means such date as set forth in the relevant Class Supplement.
<b>"Investment Manager"</b>	means LGT Capital Partners Ltd. or any successor thereto duly appointed in accordance with the requirements of the Central Bank.
<b>"Investment Management Agreement"</b>	means the investment management agreement dated 1st December, 2015 between the Manager and the Investment Manager as amended, supplemented, or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>"Manager"</b>	means LGT Capital Partners (Ireland) Limited or any successor thereto appointed in accordance with the requirements of the Central Bank.
<b>"Minimum Initial and Minimum Additional Investment Amount"</b>	means such amounts as set forth in the relevant Class Supplement.
<b>"Settlement Day"</b>	means a day on which banks are open for business in the market of the Base Currency
<b>"Subscription Payment Day"</b>	means up to two Settlement Days immediately following the relevant Valuation Day or such earlier time as may be determined by any two Directors.
<b>"Recognised Clearing System"</b>	means Clearstream and Euroclear or any other system for clearing units which is defined as such in this Supplement as amended from time to time.
<b>"Trend and Mean-Reversion Analysis"</b>	means a mathematical analysis of the long-term value or performance trend of a financial instrument or other economic indicator (e.g. share price of a stock or exchange rate of a currency) with the assumption being that in case the value or performance in the short- / midterm significantly deviates from the long-term trend, a reversion to the mean (i.e. the long-term trend) is likely unless the fundamental factors driving such performance have dramatically changed. Whilst not being a method which produces reliable results in all circumstances due to the volatile nature of financial markets, such analysis is widely considered a useful tool in Behavioral Finance to spot extreme developments in financial markets which are not based on fundamental indicators but rather short- / midterm extremes which are expected to eventually be eliminated.
<b>"UCITS Regulations"</b>	means the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011, as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank.
<b>"Valuation Day"</b>	means every Business Day, or such other day or days as the Directors may, with the consent of the Depositary, determine and notify in advance to Shareholders.
<b>"Valuation Point"</b>	midnight Dublin time on the relevant Valuation Day.

# 1. Investment Objectives and Policies

## Investment Objective

The investment objective of the Sub-Fund is to generate consistent medium-term capital appreciation.

## Investment Policies

Subject to the investment restrictions in the Prospectus, the Sub-Fund will seek to achieve the investment objective by investing primarily in a broad range of fixed income securities (such as bonds, including *inter alia* inflation-linked, high-yield or Convertible Bonds, Credit Linked Notes, treasuries and money market instruments (including certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash denominated in such currencies as the Investment Manager may determine)) which are issued by issuers from Emerging Markets and / or denominated in Emerging Markets currencies or otherwise linked or related to Emerging Markets. Such bonds can be government and/or corporate bonds and can be fixed and/or floating rate, where appropriate and may be investment grade or below investment grade, as determined by Standard & Poor's Rating Group or any similar recognised ratings agency. In this Supplement the term "Emerging Markets" refers to markets of countries that are in the process of becoming modern industrialised countries. Such markets have a higher growth potential but are also subject to higher risks compared to developed markets. This includes, but is not limited to countries which are part of the International Finance Corporation Global Composite Index or the MSCI Emerging Markets Index.

The Sub-Fund may invest up to 10% of its assets (excluding cash and Cash Equivalents) in fixed income securities worldwide. Such fixed income securities can be denominated in any currency.

Furthermore, FDI may be used to achieve the investment objective including futures (mainly for Duration Management), swaps (e.g. credit default swaps (CDS) interest rate swaps, foreign exchange swaps, cross currency swaps)), currency forwards (including non-deliverable forwards (NDF)) and currency options (including non-deliverable currency options). In accordance with the Regulations, FDIs may be exchange traded or over-the-counter. The use of FDIs will leverage the Sub-Fund due to the inherent nature of such instruments. This may increase the level of volatility, more than would be the case if the Sub-Fund did not invest in FDI. Any leverage generated by the use of such instruments shall be in accordance with the requirements of the Central Bank.

It is currently not proposed that the Sub-Fund shall use Securities Financing Transactions and/or Total Return Swaps, as defined in the SFT Regulations. Accordingly, should the Sub-Fund propose to use Securities Financing Transactions and/or Total Return Swaps in the future, the Supplement shall be updated.

The Sub-Fund may make investments in CIS which comply with the UCITS Regulations in order to achieve the investment objective. CIS and ETF in which the Sub-Fund invests shall be authorised pursuant to the UCITS Regulations, and will consist of regulated collective investment schemes domiciled in a member state of the EEA and may also include other sub-funds of the Company. Other domiciles are permitted provided the relevant CIS is eligible in accordance with the UCITS Regulations. In accordance with the investment restrictions, the Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other CIS including UCITS and non-UCITS ETFs. The Sub-Fund shall not invest in other UCITS or other CIS (including ETFs) which can under terms of their prospectus or instruments of incorporation invest more than 10% of their net assets in other UCITS or other CIS or ETFs.

Where the Sub-Fund invests in ETFs, ETFs which are regulated as UCITS and non-UCITS will be treated as CIS for the purpose of the UCITS Regulations.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

The Sub-Fund will have exposure to a wide range of foreign currencies, primarily from Emerging Markets. The Investment Manager expects to generally not enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide to do so from time to time on an opportunistic basis.

The Sub-Fund may invest up to 20% of its Net Asset Value in securities traded on Russian markets. Any such investment will only be made in securities that are listed/traded on the Moscow Exchange.

In addition the Sub-Fund may periodically maintain a portion of its assets in cash or Cash Equivalents for use as collateral or if this is considered appropriate to the investment objective with the objective of assuring the Sub-Fund's ability to satisfy obligations incurred in connection with its investment activities. In accordance with the requirements

of the Central Bank, the Sub-Fund may utilise leverage (by entering into derivative transactions that have the effect of leveraging the Portfolio).

### **Investment Process**

Investments are selected by the Investment Manager based on a qualitative and quantitative analysis of the Sub-Fund's investment universe as described above. This process is implemented based on the Investment Manager's proprietary research as well as publicly available market information and third party research.

The Investment Manager employs an investment process using both fundamental currency and issuer analysis as well as analysis of current market conditions. Analyses are based on a structured scoring process that combines fundamental and behavioral finance indicators based on the conviction that markets are complex systems, where price behavior not only depends on fundamental valuation but also on the behavior of individual market participants. Currencies and bond markets are analyzed and allocated separately while the currency overlay is a key element for an efficient market positioning.

### **Global Exposure and Leverage**

The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.

### **Risk Management**

A key aspect of the Investment Manager's investment process is the ability to manage risk. Risk must be managed for the Portfolio as a whole as well as for the individual market and sectors within the portfolio. Risk is comprehended as a multifaceted concept.

Risk management, as a well defined process, includes the observation of various pre-defined limits and portfolio risk characteristics and the observation of correct generation and execution of investment rules. It allows for active risk reduction should portfolio risk characteristics and market conditions require.

Risk management considerations may allow for defensive discretionary intervention in certain market circumstances.

The Sub-Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) such financial derivative instruments and techniques, as set out in the investment policy above, for efficient portfolio management, investment purposes and/or hedging.

The Sub-Fund employs a risk-management process which enables it to accurately measure, monitor and manage the various risks associated with the portfolio positions and their contribution to the overall risk profile of the investment portfolio at any time; furthermore, it must use a process that permits a precise and independent determination of the value of the OTC derivatives.

Under no circumstances the Sub-Fund may deviate from their investment objectives when carrying out any such transactions.

The Investment Manager shall ensure that the overall exposure associated with derivatives does not exceed the total net value of the portfolio of the Sub-Fund. Said exposure is determined taking into account the market value of the underlying, the counterparty risk, foreseeable future market developments and the time available to liquidate positions.

This investment type is subject to market risk, issuer risk and interest rate risk, which may have negative effects on net assets. Other additional risks may also materialise, such as, for example currency risk.

The use of financial derivatives for purposes other than hedging may give rise to increased risk.

Market risk management method: Commitment approach. The Company will employ a Risk Management Process which enables it to accurately measure, monitor, and manage the various risks associated with financial derivative instruments.

The Company on behalf of the Sub-Fund has filed with the Central Bank the risk management process report. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in financial derivative instruments.

### **Investment Restrictions**

The general investment restrictions set out under the heading SUB-FUNDS - Investment Restrictions in the Prospectus shall apply.

**Limited Recourse**

The Sub-Funds in the Company are fully segregated. If the realised net assets of the Sub-Fund are insufficient to pay any amounts payable in respect of the Shares, neither a Shareholder nor any other creditors will have any further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Sub-Fund or any other asset of the Company.

**Investment Manager**

The Manager has appointed LGT Capital Partners Ltd. as investment manager to manage the Sub-Fund's investments. The Investment Manager is independent of the Company and the Manager. The Investment Manager is a traditional investment management company founded in Switzerland on 30 November 2000 and its registered office is at Schützenstrasse 6, P.O. Box, CH – Pfäffikon (SZ), Switzerland. The Investment Manager is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Pursuant to the Investment Management Agreement the Investment Manager will provide investment management services to the Manager in respect of the Sub-Fund. The appointment of the Investment Manager in respect of the Sub-Fund may be terminated by either party giving to the other not less than ninety (90) calendar days' notice in writing. The Investment Management Agreement may be terminated immediately in certain circumstances set out in the Investment Management Agreement, including the insolvency of a party (or upon the happening of a like event). The Investment Management Agreement provides for the Manager to indemnify the Investment Manager or its officers, employees, delegates, servants or agents in the absence of the recklessness, wilful default, bad faith, fraud or negligence of the Investment Manager, its officers, agents or employees.



## **2. Borrowings**

In accordance with the general provisions set out in the Prospectus under the heading SUB-FUNDS - Borrowing and Lending Powers the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

### 3. Use of Financial Derivative Instruments

The Sub-Fund may engage in transactions in derivative instruments whether transactions are for investment purposes, for the purposes of the efficient portfolio management of the Sub-Fund or for hedging. The term “efficient portfolio management” refers to transactions that are entered into with the aim of reducing risk, reducing cost or generating additional capital for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund as described in this Supplement and the general provisions of the Regulations. A list of the Regulated Markets on which the derivative instruments may be quoted or traded is set out in Appendix 1 to the Prospectus.

The financial derivative instruments in which the Sub-Fund may, within the conditions and limits set out in the Central Bank Regulations, invest comprise exchange-traded and over the counter derivative instruments, including, forward foreign exchange contracts, futures, forwards, options (please see description below) and swaps (including interest rate swaps, exchange rate swaps, cross currency swaps and credit default swaps). For example, the Investment Manager may enter into interest rate futures to reflect its view that the yield curve will move in a particular way and the Manager or its delegate may seek to hedge credit exposure by entering into credit default swaps which provide protection against the default of individual bonds within the portfolio. Forward FX contracts will principally be used for hedging purposes to reduce foreign exchange risk when investments in any asset class are denominated in currencies other than the Base Currency but may also be used from time to time to change the currency composition of the Sub-Fund by, for instance, using forward FX contracts to take either a net long or net short position in a particular currency. If the Sub-Fund invests in one or more underlying investments which are denominated in a different currency to the Base Currency, currency exchange rate transactions may be entered into to hedge against currency fluctuations. Such hedging activities may cause both profit and loss, as the case may be, and will be added to or subtracted from the gross asset value before the deduction of any fees and expenses. There can be no assurance that the currency hedging program will be entirely successful.

Options are the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. The Sub-Fund may invest in two forms of options: put or call options. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. The Sub-Fund may use such instruments to gain exposure to relevant underlying assets (or financial instruments). The Sub-Fund may also enter into options as part of certain option trading strategies in accordance with its investment objective.

The Sub-Fund may also use a currency hedging strategy as described in the Class Hedging section below.

The overall exposure associated with derivative instruments shall not exceed the total net value of the Sub-Fund’s assets.

#### **Class Hedging**

Class specific currency hedging activities are described in the relevant Class Supplement.

## 4. Key Information for Subscription and Repurchase

### Issue Price

Following the Initial Subscription Day the issue price of each Share on any Dealing Day will be the Net Asset Value per Share of the relevant Class on the Valuation Day immediately preceding such Dealing Day.

### Subscriptions

The completed application must be received by the Administrator no later than the Dealing Deadline for applicants wishing to apply for the Share Classes of the Sub-Fund.

Shares will be issued at the Issue Price on the relevant Dealing Day. Applications for Shares received after the relevant Dealing Deadline specified above will be held over and Shares will be issued at the Issue Price on the next applicable Dealing Day.

Shareholders will receive a contract note on the Business Day immediately following the relevant Dealing Day.

For further details on the subscription process please refer to section 2 of the Prospectus entitled “Share Dealings”.

### Repurchase of Shares

Requests for the repurchase of Shares should be made to the Company care of the Administrator and may be made by fax or in writing, or by using an established electronic dealing platform as set out in the Prospectus. Requests by facsimile will be treated as definite orders even if not subsequently confirmed in writing. Such repurchase requests shall only be processed where payment is made to the account of record. Requests for the repurchase of Shares will not be capable of withdrawal after acceptance by the Administrator. Where requests for the repurchase of Shares is made by facsimile, the original Application Form must be received by the Company care of the Administrator before any Repurchase Proceeds will be paid out. Requests received on or prior to the relevant Dealing Deadline will, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, be treated as having been received by the following Dealing Deadline unless the Administrator and the Directors on an exceptional basis only otherwise agree and provided only they are received before the relevant Valuation Point.

Repurchase requests may also be made using an established electronic dealing platform. Repurchase requests will only be accepted electronically where the Shareholder has accepted the terms and conditions of use of such service, and all necessary anti-money laundering documentation has been received and processed by the Administrator.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and advance notification to all of the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to any Sub-Fund.

### Limitations on Repurchases

The Directors are entitled to limit the number of Shares in a Sub-Fund repurchased on any Dealing Day to Shares representing ten per cent of the total Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Sub-Fund repurchased on that Dealing Day realise the same proportion of such Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

### Repurchase Price

The Repurchase Price at which Shares will be repurchased on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day. The Repurchase Proceeds are the Repurchase Price less any applicable Repurchase Charge and any applicable taxes. There shall be no Repurchase Charge payable in respect of a Repurchase of Shares of this Sub-Fund. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any Class of Shares in a Sub-Fund is set out in the Articles as described in the Prospectus under the heading “Calculation of Net Asset Value/Valuation of Assets”.

### Settlement Date for Repurchases

Repurchase contract notes will be issued to Shareholders on the relevant Dealing Day. Shareholders will receive a contract note on the Business Day immediately following the relevant Dealing Day.

The amount due on the repurchase of Shares of any class in the Sub-Fund will be paid within three (3) valuation days of the Base Currency immediately following the relevant Valuation Day by electronic transfer to an account in the name of the Shareholder. Repurchase proceeds will only be paid on receipt by the Administrator of any relevant repurchase documentation.

### **Swing Factor**

For the protection of the existing shareholders, on a certain Valuation Day, the net asset value of each unit class of a sub-fund may be increased or decreased by a maximum of 2% percentage ("swing factor"), for net subscription or net redemption applications in relation to the Sub-Fund. In this case, the same net asset value will apply to all incoming and outgoing investors on this Valuation Day. The primary goal of the adjustment of the Net Asset Value is to cover the transaction costs, tax burdens or bid/offer spreads ("spreads") that are incurred by the Sub-Fund due to subscriptions, redemption and/or conversion transactions involving the Sub-Fund. Existing shareholders are not required to bear these costs, as these costs are directly integrated into the calculation of the Net Asset Value and are therefore borne by incoming and outgoing investors. Unless otherwise provided in the Class Supplement, the net asset value is adjusted, on every Valuation Day, on the basis of net trading, irrespective of the extent of the net cash flow (i.e. an adjustment of the Net Asset Value does not require that a pre-defined threshold value for the net cash flow is reached). The Shareholders are reminded that the performance calculated on the basis of the Net Asset Value may not necessarily reflect the actual performance of the relevant Sub-Fund due to the adjustment of the Net Asset Value.

## 5. Fees and Expenses

In addition to the general management and fund charges set out in the Prospectus under the heading “Fees and Expenses” the Sub-Fund shall bear its attributable portion of (i) the expenses payable by the Company to the Manager, Administrator, Distributor, Depositary, Valuation Agent, Directors and any other delegate appointed by the Company, (ii) operating expenses of the Company and (iii) the establishment and operating expenses of the Sub-Fund. The organisational expenses of the Company are fully amortised. The establishment costs solely of the Sub-Fund are expected to be up to EUR 10,000. The establishment costs of the Sub-Fund will be amortised over the first year of the existence of the Sub-Fund.

### **Operation Fee**

The Manager is entitled to an operation fee for the management and administration of the Sub-Fund, as set forth in the respective Class Supplement (the “**Operation Fee**”). This fee is calculated on the basis of the Net Asset Value per Class (before debiting the operation and management fee), as at each Valuation Day. The Operation Fee will be accrued on each Valuation Day and debited at the end of each month.

This Operation Fee includes the manager fee, the fees of the Depositary and Administrator and the trading fee.

#### *Fees of the Manager*

The Manager shall be entitled to an annual compensation for acting as Manager of the Company as set forth in the respective Class Supplement.

#### *Fees of the Depositary and Administrator*

The Manager shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services as set forth in the relevant Class Supplement.

The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund.

The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services as set forth in the relevant Class Supplement.

The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

#### *Transaction Fees*

The Sub-Fund shall bear any and all ancillary costs arising from asset management for the sale and purchase of investments (broker commissions in line with the market, commissions, levies), with the transactions costs being included in the Operation Fee, as well as any and all taxes imposed on the assets of the Sub-Fund and its earnings and expenditure (such as withholding taxes on foreign earnings) as set forth in the relevant Class Supplement.

### **Management Fee**

The Manager is entitled to a management fee for asset management and distribution, including third-party distribution, as set forth in the Class Supplement. This fee is calculated on the basis of the Net Asset Value per Class (before debiting the Operation Fee), as at each Valuation Day and debited at the end of each month.

The Manager shall pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any Sub-Distributor and any other delegate appointed by the Manager in respect of the Company in the performance of their tasks in respect of the Company.

## **6. Dividend Policy**

The distribution policy is described in the relevant Class Supplement.

## 7. Risk Factors

The general risk factors are set out in the Prospectus under the heading **RISK FACTORS**. In addition, the following risk factors apply to the Sub-Fund:

### General

**An investment in the Sub-Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares in the Sub-Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. An investment in the Sub-Fund involves certain investment risks, including the possible loss of principal.**

**Availability of Investment Strategies.** No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Sub-Fund's assets. No assurance can be given that the Investment Manager will be able to exploit discrepancies in the securities and derivatives markets. A reduction in the pricing inefficiency of the markets in which the Sub-Fund seeks to invest, as well as other market factors, will reduce the scope for the Sub-Fund's investment strategies.

The Sub-Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or changes in tax treatment.

The amount of capital invested in funds such as the Sub-Fund has increased dramatically in recent years. Such increase may result in greater competition for investment opportunities, as well as increased price volatility and/or decreased liquidity in certain positions.

**Investment Manager.** The performance of the Sub-Fund is substantially dependent on the services of senior professionals of the Investment Manager who advise upon the investment of the assets of the Sub-Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of such professionals the performance of the Sub-Fund may be adversely affected.

**Class of Shares is not a Separate Legal Entity.** As among the shareholders, although the Sub-Fund maintains only one portfolio of assets, the appreciation and depreciation attributable to a Class will be allocated only to such Class. Similarly, expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of the Sub-Fund will generally not be bound to satisfy its claims from a particular Class. Rather, such creditor generally may seek to satisfy its claims from the assets of the Sub-Fund as a whole. Further, if the losses attributable to a Class exceed its value, then such losses could negatively impact the value of other Classes. At the date of this document, the Directors are not aware of any existing or contingent liabilities.

**Liquidity and Valuation of Investments.** The Sub-Fund may invest in instruments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the Sub-Fund may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over the counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

**Market Disruptions.** The Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Sub-Fund. In 1994, in 1998 and again in the so-called "credit crunch" of 2007-2008 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The "credit crunch" of 2007-2008 particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the "credit crunch" of 2007-2008 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Sub-Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Sub-Fund to liquidate affected positions

and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Sub-Fund to close out positions.

**Leverage and Financing Risk.** The Sub-Fund intends to leverage its capital to attempt to achieve a higher rate of return. Accordingly, the Sub-Fund may leverage its investment return by entering into options, forwards and other derivative instruments as outlined in section 3 above. The amount of leverage which the Sub-Fund may have at any time shall not exceed that permitted by the Regulations.

While leverage presents opportunities for increasing the Sub-Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Sub-Fund would be magnified to the extent the Sub-Fund is leveraged. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund which would be greater than if the Sub-Fund were not leveraged.

The financing used by the Sub-Fund to leverage its portfolio will be extended by counterparties which are subject to prudential supervision and belong to categories approved by the Central Bank.

**Bonds.** The market values of bonds generally vary inversely with the level of interest rates – when interest rates rise, their values will tend to decline and vice versa. The magnitude of these changes generally will be greater the longer the remaining maturity of the security.

By investing in bonds the Sub-Fund will be exposed to credit risk. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that the issuer experiences financial or economic difficulties, this may affect the value of, and/or any amounts paid on, the relevant securities. Securities ratings by credit rating agencies are a generally recognised barometer of credit risk; however, an issuer's rating is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated; and there may be varying degrees of difference in credit risk of securities within each rating category. While investment grade bonds usually have a higher capacity to pay interest and repay principal than lower-rated securities, there are no assurances that losses will not occur with respect to these investments.

**High Yield Bonds.** These bonds typically are subject to greater market fluctuations and to greater risk of loss of income and principal due to default by the issuer than are higher-rated bonds. Lower-rated bonds' values tend to reflect short-term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher-rated bonds. In addition, it may be more difficult to dispose of, or to determine the value of, high yield bonds. Bonds rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions."

**Emerging Markets.** By investing in those securities, the Sub-Fund faces a number of investment risks greater than those normally associated with investments in international securities. In particular, it may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of the counterparties. Such counterparties may frequently lack the substance or financial resources of a counter-party in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Sub-Fund and compensation schemes may be non-existent or limited or inadequate to meet the Sub-Fund's claims in any of these events. Other risks associated with Emerging Markets include political and social unrest; exchange control; currency instability; high rates of domestic inflation; limitations on repatriation of capital (including the possible imposition of currency blockages); the impact of the foreign debt burden on the domestic economies; instability and limited liquidity and regulation of the securities markets; relatively high transaction and other costs of investment; differences in accounting, auditing and financial reporting standards and potential difficulties in obtaining information about issuers and markets; and governmental intervention in the private sector, including restrictions on foreign investors such as the Sub-Fund. It is possible, particularly in Emerging Markets, that purported securities in which the Sub-Fund invests may subsequently be found to be fraudulent and as a consequence the Sub-Fund could suffer a loss. Taxation of interest and capital gains received by non-residents varies among the Emerging Markets States in which the Sub-Fund may invest and, in some cases, is comparatively high. In addition, such States typically have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the relevant Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting its investment activities or valuing its assets.



As many of the Emerging Markets are relatively small, have low trading volumes, suffer periods of illiquidity and are characterised by significant price volatility, investors should consider a shareholding in the Sub-Fund investing in Emerging Markets securities to be a long-term investment.

**Forward Trading.** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Manager would otherwise recommend, to the possible detriment of the Sub-Fund. Market illiquidity or disruption could result in major losses to the Sub-Fund.

**Futures.** Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as "daily limits", which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day's closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Manager to liquidate a futures position against which the market is moving. A series of "limit moves", in which the market price moves the "daily limit" with little or no trading taking place, could subject the Sub-Fund to major losses.

**Hedging Transactions.** The Investment Manager, on behalf of the Sub-Fund may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Sub-Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Sub-Fund's unrealised gains in the value of the Sub-Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Sub-Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Sub-Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Sub-Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Sub-Fund's hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Sub-Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Sub-Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Sub-Fund from achieving the intended hedge or expose the Sub-Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the Sub-Fund's portfolio holdings.

**Credit Risk and Counterparty Risk.** The Sub-Fund will be subject to the risk of the inability of any counterparty (including the counterparty and the Depositary to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. If there is a failure or default by the counterparty to such a transaction, the Sub-Fund will have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial position of the defaulting counterparty).

The Investment Manager will seek to minimise the Sub-Fund's counterparty risk through the selection of financial and non-financial institutions and types of transactions employed. However, the Sub-Fund's operational mechanisms may involve counterparty and other risk elements that may create unforeseen exposures.

**Concentration of Investments.** Subject to the Investment Restrictions of the Sub-Fund the Investment Manager is not restricted as to the percentage to the Sub-Fund's assets that may be invested in any particular industry,

instrument, market or strategy. The Sub-Fund will not maintain any fixed guidelines for diversifying its portfolio among instruments, markets or strategies. In attempting to maximise the Sub-Fund's returns the Investment Manager may concentrate the holdings of the Sub-Fund in those instruments, strategies or markets which, in sole judgement of the Investment Manager, provide the best profit opportunities consistent with the Sub-Fund's investment objective.

**Exchange Rate Fluctuations; Currency Considerations.** Whilst the Sub-Fund will operate in Euro, the Sub-Fund's assets will often be invested in securities and or financial instruments denominated in other currencies and any income or capital received by the Sub-Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Sub-Fund's portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, the Sub-Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Sub-Fund at one rate, while offering a lesser rate of exchange should the Sub-Fund desire immediately to resell that currency to the dealer. The Sub-Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell currencies. It is anticipated that most of the Sub-Fund's currency exchange transactions will occur at the time securities are purchased and will be executed through a broker or depositary acting for the Sub-Fund.

The Investment Manager may seek to hedge the currency exposure of Shareholders holding Shares denominated in currencies other than Base Currency. The adoption of this strategy may substantially limit Shareholders of the non-Base Currency denominated Shares from benefiting if the relevant currency falls against Base Currency and/or against the other currencies in which the assets of the Sub-Fund are denominated. The hedging transactions (if any) will be clearly attributable to a specific class and all costs and gains/losses of such hedging transactions will accrue solely to the Shareholders holding Shares in the relevant currency.

**Net Asset Value Considerations.** The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-Fund's investments. A shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share of the relevant Class at the time of such redemption is less than the issue price paid by such shareholder. In addition, where there is any conflict between International Financial Reporting Standards ('IFRS') and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value the latter principles shall take precedence (see also the section entitled "**Net Asset Value**" below).

**Legal Risk.** Some of the laws that govern private and foreign investment and contractual relationships in certain countries are new and largely untested. As a result, the Sub-Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Sub-Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Sub-Fund and its operations. In addition, the income and gains of the Sub-Fund may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

**Tax Considerations.** Where the Sub-Fund invests in securities that are not subject to withholding tax at the time of the acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Sub-Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value. Where the Sub-Fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not the Sub-Fund.

**Highly Volatile Instruments.** The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Sub-Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Sub-Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

**Business and Regulatory Risks of Funds.** Legal, tax and regulatory changes could occur during the term of the Sub-Fund that may adversely affect the Sub-Fund. The regulatory environment for funds is evolving, and changes in the regulation of funds may adversely affect the value of investments held by the Sub-Fund and the ability of the Sub-Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Sub-Fund could be substantial and adverse.

**Systemic Risk.** Multiple counterparty risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Sub-Fund interacts on a daily basis.

**Valuation Risk.** The Net Asset Value of the Sub-Fund will be calculated by the Administrator based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The fair market value of those assets of the Sub-Fund for which a third-party price is not available will be valued based on other sources deemed reliable by the Directors, in consultation with the Manager and the Administrator. Investors should note that there is a risk that a Shareholder which redeems its Shares while the Sub-Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value provided to the Administrator. In addition, there is a risk that a subscription for Shares could dilute the underlying value of such assets for the other Shareholders if the actual value of such assets is higher than the value provided to the Administrator. There is also a risk that greater Performance Fees may be paid by the Sub-Fund in respect of certain assets or liabilities of the Sub-Fund than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. None of the Directors, the Manager, the Investment Manager or the Administrator is under any liability (including any obligation to remit excess Performance Fees to the Sub-Fund or any of the Shareholders) if a price reasonably believed to be an accurate valuation of a particular asset of the Sub-Fund is found not to be such.

**Misconduct of Employees and of Third Party Service Providers.** Misconduct by employees or by third party service providers could cause significant losses to the Sub-Fund. Employee misconduct may include binding the Sub-Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Sub-Fund's business prospects or future marketing activities. Although the Manager will adopt measures to prevent and detect employee misconduct and to select reliable third party providers, such measures may not be effective in all cases.

**Terrorist Action.** There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

## **Investment in Russia**

Investments in companies organised in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation, pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and Shareholders of the Sub-Fund. The concept of fiduciary duty is not well established and rules regulating corporate governance are undeveloped. Unitholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of the Sub-Fund's shares, an individual must travel to the company's registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that the Fund could lose its registration through fraud, negligence, oversight or catastrophe such as fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate the Fund in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Fund may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce

its rights against third parties. Neither the Sub-Fund, the Manager, the Investment Manager, the Depositary nor any of their agents make any representation or warranty in respect of, or in guarantee of, the operations or performance of any registrar or sub-custodian.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Sub-Fund. Prospective investors should read this entire Supplement and the Prospectus and consult with their own legal, tax and financial advisers before deciding to invest in the Sub-Fund.**

## 8. Other Information

### **Information to Shareholders**

The Directors or their delegate may, at its discretion, provide additional fund valuation and/or reporting information to Shareholders (subject to certain terms and conditions). Such additional fund valuation and/or reporting information will be made available to all Shareholders and should be used for information purposes only. An investment decision should not be based upon the content of such fund valuation and/or reporting information and any indicative Net Asset Value per Share outlined therein should not be taken to be or relied upon as being an accurate indicator of the Net Asset Value per Share.

### **Notification of Prices**

The issue price and Repurchase Price of each Class of Shares of the Sub-Fund will be available on [www.lgt.com](http://www.lgt.com) (which will be kept up to date). Access may be restricted and it is not an invitation to subscribe for purchase, convert, sell or repurchase Shares.

# LGT Bond EMMA LC Sub-Fund

## Class Supplement for Class A (EUR)

*This Class Supplement dated 5 September, 2017 refers to Class A (EUR) (the "Class") of the LGT Bond EMMA LC Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Sigma UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 5 September, 2017 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 5 September 2017 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").*

### 1. Class Currency

The designated currency of the Class is Euro.

### 2. Minimum Initial Investment Amount and Minimum Additional Investment Amount

The Minimum Initial Investment Amount and the Minimum Additional Investment Amount for any investor in the Class shall be in the amount of one Share, unless otherwise agreed by any two of the Directors s.

Unless the Directors determine otherwise in their sole discretion, the Class shall be open for investment by (i) Institutional investors, where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT group company is in existence; or there is a distribution of fund products promoted by the LGT Group or fund-related products and certificates; (ii) Any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account and (iii) Any and all employees of a LGT group company.

### 3. Preliminary Charge

A Preliminary Charge of up to 5% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

### 4. Repurchase Charge

None.

### 5. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

### 6. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

#### Operation Fee

The Operation Fee shall be charged, as set out in the Sub-Fund Supplement, at the rate of max. 0.17% p.a.

#### Management Fee

There will be no Management charged to the Class. Investors in the Class shall pay fees separately outside the Company and the Sub-Fund to another LGT group company, where appropriate.

## **7. Dividend Payments**

The Directors may determine to make an annual cash distribution to the holders of the Class A Shares. The distribution (if any), shall be paid to the holders of Class A Shares on the last Business Day of March in each year (the “**Distribution Payment Date**”). The first payment of a distribution (if any), shall take place on the last Business Day of March, 2018.

The amount to be distributed per Class A Share shall be determined by the Directors at their sole discretion.. Such distribution shall be at least 90% or more of the increase in net income per Class A Share in the preceeding twelve-month period.

No interest will be paid on announced distributions as from the time of their due date.

Investors should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Investors should be aware that any distribution paid will reduce the Net Asset Value per Class A Share and this distribution policy may result in distributions being paid out of capital of the Class A Shares held by such Investor.

Notwithstanding the foregoing, distributions will only be made in accordance with the laws of Ireland and the Memorandum and Articles of Association of the Company. Any unclaimed distribution may be forfeited after six years and, on forfeiture, form part of the assets of the Sub-Fund.

## **8. Risk Factors**

Persons interested in purchasing the Class A Shares should read the section headed “Risk Factors” in the Sub-Fund Supplement and in the main body of the Prospectus and “Conflicts of Interest” in the main body of the Prospectus.

# LGT Bond EMMA LC Sub-Fund

## Class Supplement for Class B (EUR)

*This Class Supplement dated 5 September, 2017 refers to Class B (EUR) (the "Class") of the LGT Bond EMMA LC Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Sigma UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 5 September, 2017 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 5 September, 2017 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").*

### 1. Class Currency

The designated currency of the Class is Euro.

### 2. Minimum Initial Investment Amount and the Minimum Additional Investment Amount

The Minimum Initial Investment Amount and the Minimum Additional Investment Amount for any investor in the Class shall be in the amount of one Share, unless otherwise agreed by any two of the Directors.

Unless the Directors determine otherwise in their sole discretion, the Class shall be open for investment by (i) Institutional investors, where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT group company is in existence; or there is a distribution of fund products promoted by the LGT Group or fund-related products and certificates; (ii) Any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account and (iii) Any and all employees of a LGT group company.

### 3. Preliminary Charge

A Preliminary Charge of up to 5% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

### 4. Repurchase Charge

None.

### 5. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

### 6. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

#### Operation Fee

The Operation Fee shall be charges, as set out in the Sub-Fund Supplement, at the rate of max. 0.17% p.a.

#### Management Fee



There will be no Management charged to the Class. Investors in the Class shall pay fees separately outside the Company and the Sub-Fund to another LGT group company, where appropriate.

**7. Dividend Payments**

Although it is currently the policy of the Class not to pay dividends nor make capital gains distributions, the Directors may decide at a future date at their discretion whether and to what extent dividends should be paid. Shareholders will be notified in advance of any such change of policy.

**8. Risk Factors**

Persons interested in purchasing the Class B Shares should read the section headed "Risk Factors" in the Sub-Fund Supplement and in the main body of the Prospectus and "Conflicts of Interest" in the main body of the Prospectus.

# LGT Bond EMMA LC Sub-Fund

## Class Supplement for Class C (EUR)

*This Class Supplement dated 5 September, 2017 refers to Class C (EUR) (the "Class") of the LGT Bond EMMA LC Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Sigma UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 5 September, 2017 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 5 September, 2017 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").*

### 1. Class Currency

The designated currency of the Class is Euro.

### 2. Initial Issue Price

The Initial Issue Price shall be equal to EUR 1,000.

### 3. Initial Subscription Day

The Initial Subscription Day will be from 9.00 a.m. until 5.00 p.m. (Irish time) on 02 October, 2017, or such other day as the Directors shall determine and notify to the Central Bank.

### 4. Minimum Initial Investment Amount and Minimum Additional Investment Amount

The Minimum Initial Investment Amount for any investor in the Class shall be EUR 1,000,000, unless otherwise agreed by any two of the Directors and notified to Shareholders and the Minimum Additional Investment Amount shall be in the amount of one single Share, unless otherwise agreed by any two of the Directors.

### 5. Preliminary Charge

A Preliminary Charge of up to 5% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

### 6. Repurchase Charge

None.

### 7. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

### 8. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

#### Operation Fee

The Operation Fee shall be charges, as set out in the Sub-Fund Supplement, at the rate of max. 0.17% p.a.

### **Management Fee**

The Management Fee will be equal to max. 0.55% per annum. Such fee will be calculated each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee) and debited monthly. The Manager may, at its absolute discretion, pay any portion of the Management Fee to any third party in any manner whatsoever, whether by rebate or otherwise. The Manager shall also be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties.

## **9. Dividend Payments**

Although it is currently the policy of the Class not to pay dividends nor make capital gains distributions, the Directors may decide at a future date at their discretion whether and to what extent dividends should be paid. Shareholders will be notified in advance of any such change of policy.

## **10. Risk Factors**

Persons interested in purchasing the Class C Shares should read the section headed "Risk Factors" in the Sub-Fund Supplement and in the main body of the Prospectus and "Conflicts of Interest" in the main body of the Prospectus.

# LGT Bond EMMA LC Sub-Fund

## Class Supplement for Class D (EUR)

*This Class Supplement dated 5 September, 2017 refers to Class D (EUR) (the "Class") of the LGT Bond EMMA LC Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Sigma UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 5 September, 2017 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 5 September, 2017 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").*

### 1. Class Currency

The designated currency of the Class is Euro.

### 2. Initial Issue Price

The Initial Issue Price shall be EUR 1,000.

### 3. Initial Subscription Day

The Initial Subscription Day will be from 9.00 a.m. until 5.00 p.m. (Irish time) on 02 October, 2017, or such other day as the Directors shall determine and notify to the Central Bank.

### 4. Minimum Initial Investment Amount and Minimum Additional Investment Amount

The Minimum Initial Investment Amount and the Minimum Additional Investment Amount for any investor in the Class shall be in the amount of one Share, unless otherwise agreed by any two of the Directors.

### 5. Preliminary Charge

A Preliminary Charge of up to 5% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

### 6. Repurchase Charge

None.

### 7. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

### 8. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

#### Operation Fee

The Operation Fee shall be charges, as set out in the Sub-Fund Supplement, at the rate of max. 0.30% p.a.

### **Management Fee**

The Management Fee will be equal to max. 1.20 % per annum. Such fee will be calculated each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and debited monthly. The Manager may, at its absolute discretion, pay any portion of the Management Fee to any third party in any manner whatsoever, whether by rebate or otherwise. The Manager shall also be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties.

## **9. Dividend Payments**

Although it is currently the policy of the Class not to pay dividends nor make capital gains distributions, the Directors may decide at a future date at their discretion whether and to what extent dividends should be paid. Shareholders will be notified in advance of any such change of policy.

## **10. Risk Factors**

Persons interested in purchasing the Class D Shares should read the section headed "Risk Factors" in the Sub-Fund Supplement and in the main body of the Prospectus and "Conflicts of Interest" in the main body of the Prospectus.

# LGT Bond EMMA LC Sub-Fund

## Class Supplement for Class E (USD)

*This Class Supplement dated 5 September, 2017 refers to Class E (USD) (the "Class") of the LGT Bond EMMA LC Sub-Fund (the "Sub-Fund"), a sub-fund of Crown Sigma UCITS plc (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland. This Class Supplement should be read in the context of and in conjunction with the Prospectus dated 5 September, 2017 for the Company as may be amended from time to time (the "Prospectus") and the Supplement dated 5 September, 2017 relating to the Sub-Fund as may be amended from time to time (the "Sub-Fund Supplement"). This Class Supplement contains specific information in relation to the participating shares of the Class (the "Shares").*

### 1. Class Currency

The designated currency of the Class is US Dollar.

### 2. Initial Issue Price

The Initial Issue Price shall be USD 1,000.

### 3. Initial Subscription Day

The Initial Subscription Day will be from 9.00 a.m. until 5.00 p.m. (Irish time) on 02 October, 2017, or such other day as the Directors shall determine and notify to the Central Bank.

### 4. Minimum Initial Investment Amount and the Minimum Additional Investment Amount

The Minimum Initial Investment Amount and the Minimum Additional Investment Amount for any investor in the Class shall be in the amount of one Share, unless otherwise agreed by any two of the Directors.

Unless the Directors determine otherwise in their sole discretion, the Class shall be open for investment by (i) Institutional investors, where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT group company is in existence; or there is a distribution of fund products promoted by the LGT Group or fund-related products and certificates; (ii) Any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account and (iii) Any and all employees of a LGT group company.

### 5. Preliminary Charge

A Preliminary Charge of up to 5% (if any) of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

### 6. Repurchase Charge

None.

### 7. Issue of Shares

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Subscription for Shares" and in the Sub-Fund Supplement under the heading "Subscriptions". Key definitions are provided in the Sub-Fund Supplement.

### 8. Fees

The Class shall bear its attributable proportion of the general fees and expenses payable by the Company and the Sub-Fund. These are set out in detail under the headings "Fees and Expenses" in the Prospectus and the Sub-Fund Supplement.

#### **Operation Fee**

The Operation Fee shall be charges, as set out in the Sub-Fund Supplement, at the rate of max. 0.17% p.a.

#### **Management Fee**

There will be no Management charged to the Class. Investors in the Class shall pay fees separately outside the Company and the Sub-Fund to another LGT group company, where appropriate.

### **9. Class Hedging**

The Base Currency of the Sub-Fund is USD, and the designated currency of the Class is EUR. It is the Directors current intention to seek to hedge the USD currency exposure of the Class in the Sub-Fund. The Company may utilise a variety of financial instruments such as derivatives, options, swaps, futures and forwards to seek to hedge against changes in currency values which may affect the value of the Class and such transactions will be clearly attributable to the Class.

The adoption of this strategy may substantially limit holders of Shares from benefiting if EUR rises or falls against the Base Currency of the Sub-Fund. It is the Directors intention that the Class' currency hedging into EUR will not exceed 100% of the Net Asset Value per Class. To the extent that the currency hedging of the Class exceeds 100% of the Net Asset Value per Class due to market movements or other circumstances beyond the control of the Directors or their delegates, the Directors shall keep the situation under review and will seek to limit such over-hedging to 105% of the Net Asset Value per Class. Moreover, to the extent that the currency hedging of the Class falls below 100% of the Net Asset Value per Class due to market movements or other circumstances beyond the control of the Directors or their delegates, the Directors shall keep the situation under review and seek to limit such under-hedging to 95% of the Net Asset Value per Class. Currency hedging positions materially in excess of 100% of the Net Asset Value per Class will not be carried forward from month to month. While not the intention of the Class, over-hedged or under-hedged positions may arise due to factors outside the control of the Class and the Directors or their delegates will seek to rectify the situation immediately taking due account of market conditions and the best interests of the relevant Shareholders. The calculation of such hedging ratio will be based on the Net Asset Value per Class, including dealings of Shares received for the Dealing Day immediately following the relevant Valuation Day.

The cost and any gains or losses associated with the currency hedging transactions in respect of the Class will be allocated solely to the Class.

The Directors shall terminate such currency hedging transactions if, for example, the costs outweigh the benefits of such transactions, as determined by the Directors in their sole discretion and as notified to Shareholders.

There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations.

### **10. Dividend Payments**

Although it is currently the policy of the Class not to pay dividends nor make capital gains distributions, the Directors may decide at a future date at their discretion whether and to what extent dividends should be paid. Shareholders will be notified in advance of any such change of policy.

### **11. Risk Factors**

Persons interested in purchasing the Class E Shares should read the section headed "Risk Factors" in the Sub-Fund Supplement and in the main body of the Prospectus and "Conflicts of Interest" in the main body of the Prospectus.