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# SIGMA FUND

Investment company with variable capital  
(société d'investissement à capital variable)

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incorporated under Luxembourg law

and

governed by Part II of the 2010 Law

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## PROSPECTUS

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10 MARCH 2021

## GENERAL INFORMATION

Subscriptions can be accepted only on the basis of the Prospectus in force, which is valid only if accompanied by the most recent annual report and the subsequent semi-annual report of the Fund, when issued. Such reports form an integral part of this Prospectus.

The Fund is an investment company with variable capital (*investment company with variable capital*) organised as a public limited liability company (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg.

The registration of the Fund as an UCI governed by Part II of the 2010 Law does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the asset portfolio of the Fund. Any representation to the contrary is unauthorised and unlawful.

### **Reliability and accuracy**

The Board of Directors has taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no omission of other material facts which would cause any statement herein to be misleading, whether of fact or of opinion. The Board of Directors accepts responsibility accordingly.

No person is authorised to give any information or to make any representation concerning the Fund other than as contained in this Prospectus, or in the documents referred to in the Prospectus and which can be consulted by the public.

Any information or representation given or made by any person not contained herein or in the reports forming part hereof should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall in any circumstances constitute a representation that the information given in this Prospectus will remain correct as of any time subsequent to the date hereof.

To reflect material changes, such as the addition or the deletion of any Class of Shares, this Prospectus will be updated as necessary. Therefore it is recommended that potential applicants inform themselves about the publication of any subsequent Prospectus.

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Shares.

If you are in doubt about the content of this Prospectus or about your position in relation to the acquisition, holding, disposal or receipt of distributions in respect of Shares you should consult your stockbroker, bank manager, legal counsel, accountant or other professional advisor.

### **Sales restrictions in certain jurisdictions**

The distribution of this Prospectus and the offer of the Shares may be restricted in other jurisdictions than

Luxembourg. If you come into possession of this Prospectus, you should observe any such restrictions. Any failure to comply with these restrictions may violate local laws on securities offering. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

## Personal Data

Investors are informed that personal data (i.e. any information relating to an identified or identifiable natural person) (the "**Personal Data**") provided in connection with an investment in the Fund (the "**Data Controller**") will be processed by the Fund, the Administrator, the Depositary Bank or the approved statutory auditor, their affiliates and agents including the Global Distributor and Distributors (together the "**Entities**") in accordance with data protection law applicable in Luxembourg (including, but not limited to (i) the amended Law of 2 August 2002 on the protection of persons with regard to the processing of Personal Data, (ii) Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data (the "**General Data Protection Regulation**"), as well as (iii) any law or regulation relating to the protection of Personal Data applicable to them) (together the "**Data Protection Laws**").

The Entities may act as data processors on behalf of the Data Controller or as controllers in pursuing their own purposes of (i) offering and managing investments and performing the related services (ii) developing and processing the business relationship with the Processors, and (iii) if applicable direct or indirect marketing activities. The Entities shall declare that, in the event of any sub-processing of such processing they will oblige their sub-contractor (the "**Authorised Third Party**") to respect the same level of protection of Personal Data.

Such arrangements will not relieve the Entities of their obligations of protection, notably in the event of the transfer of personal data outside the European Economic Area ("**EEA**").

Subscribers may refuse to communicate their Personal Data to the Data Controller and the Entities and consequently prevent it from using such data. However, this might result in the impossibility for these persons to become Investors of the Fund. Failure to provide relevant Personal Data requested in the course of their relationship with the Fund may prevent an Investor from exercising its rights in relation to its Units and maintaining its holdings in the Fund. This failure may also need to be reported by the Fund and/or the Administrator to the relevant Luxembourg authorities to the extent permitted and/or required by applicable law.

The processed Personal Data include, but is not limited to, the name, address, transaction history of each Investor, e-mail address, bank and financial data, data concerning personal characteristics and data concerning source of wealth, or record of any telephone conversation (including for record keeping as proof of a transaction or related communication in the event of a disagreement and to enforce or defend the Controller's and Entities' interests or rights in compliance with any legal obligation to which they are subject. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Entities).

Personal Data provided by Investors are processed notably in order to (i) update the Fund's register of Investors, (ii) process subscriptions, redemptions, and conversions of Units as well as the payment of

dividends to Investors, (iii) ensure controls in terms of late trading and market timing operations, and (iv) comply with the applicable rules regarding the prevention of money laundering and terrorist financing.

The Data Controller and the Entities collect, store, process, and use, electronically or by other means, the Personal Data provided by Investors in order to fulfil their respective legal obligations. In this respect, in application of the legal obligations including legal obligations under applicable company law, anti-money laundering legislation, FATCA regulations as well as legislation for the purpose of application of the standard for Automatic Exchange of Financial Account Information developed by OECD, the information on the subscribers identified as subject to reporting as defined by these laws will be included in an annual declaration to the Luxembourg tax authorities. If applicable, they will be informed thereof by the Administrator at the very least before the declaration is sent and in sufficient time to exercise their data protection rights.

Investors acknowledge and accept that the Fund and/or the Administrator will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information on an automatic basis with the competent authorities in the United States of America or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

Investors must expressly accept the use of their Personal Data for commercial purposes. The Data Controller and the Entities may use the Personal Data to regularly inform Investors about other products and services that the Data Controller and the Entities believe to be of interest to the Investors, unless the Investors have indicated to the Data Controller and the Entities in writing that they do not wish to receive such information.

The Data Controller and the Entities may also transfer the Personal Data of Investors to entities located outside the European Union that may not have developed a suitable level of data protection legislation. To this extent, the Data Controller and the Entities shall comply with the Luxembourg data protection law with regard to the protection of Personal Data. The Data Controller undertakes not to transfer Personal Data to any third party other than an Authorised Third Party unless it is required by law or with the prior approval of the Investor considered.

Upon written request, the Data Controller shall also allow Investors to access to their Personal Data provided to the Fund.

The Investor has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

The Unitholder also acknowledges the existence of his/her right to lodge a complaint with the National Commission for Data Protection.

Personal Data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal limitation periods.

Insofar as the Personal Data provided by Investors include Personal Data of their representatives and/or authorised signatories and/or Investors and/or ultimate beneficial owners, the Investors confirm having secured its/their consent to the processing of their Personal Data as above described and, in particular, to the disclosure of their Personal Data to, and the processing of their Personal Data by, the various parties referred to above including in countries outside the European Union.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the Investors' Personal Data, except in the event of gross negligence or willful misconduct of the Fund.

Attention of Investors is drawn to the fact that information relating to the processing of Personal Data (the "**Personal Data Protection Policy**") is subject to update and/or modification.

For any additional information related to the processing of their Personal Data, the investors can contact the Fund at its registered address via post mail at Kredietrust Luxembourg S.A., 11 rue Aldringen, L-2960, Grand Duchy of Luxembourg or via email at [ohernandez@altxpartners.com](mailto:ohernandez@altxpartners.com).

Additional information on data protection contained in the information notice is available upon request and at the following weblink: [www.sigmapfundsicav.com](http://www.sigmapfundsicav.com).

### **Nominee warning**

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

### **Official language**

The official version of this Prospectus and of the Articles is in English. However, the Board of Directors may translate these documents into other languages as may be required in certain jurisdiction where Shares are distributed. Unless contrary to local law in the concerned jurisdiction, in the event of any discrepancy between the English text and its translation in another language or ambiguity in relation to the meaning of any word or sentence in any translation, the English version shall prevail.

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## DEFINITIONS

Unless otherwise stated, the following capitalized terms in this Prospectus shall have the meaning ascribed to them below:

<b>1915 Law</b>	means the Luxembourg law dated 10 August 1915 on commercial companies, as amended or supplemented from time to time.
<b>2010 Law</b>	means the Luxembourg law dated 17 December 2010 on undertakings for collective investments, as amended or supplemented from time to time.
<b>AIFM Law</b>	means the Luxembourg law dated 12 July 2013 on alternative investment fund managers, as amended from time to time.
<b>AIFM</b>	means alternative investment fund manager.
<b>Articles</b>	means the articles of association of the Fund, as amended from time to time.
<b>Board of Directors</b>	means the board of directors of the Fund, from time to time.
<b>Business Day</b>	means a day, other than Saturday and Sunday, on which banks are open for business in Luxembourg, unless otherwise stated.
<b>Category</b>	means a category or sub-class of Shares within a Class of Shares which may be differentiated by <i>inter alia</i> its fee structure, minimum investment level, eligible investors, distribution policy and/or Reference Currency.
<b>CFD</b>	means contract for difference.
<b>Class of Shares</b>	means a separate class of shares established and maintained in the Fund to which the assets and liabilities attributable or allocated to it will be applied or charged and segregated from other assets and liabilities of the Fund.
<b>CSSF</b>	means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Commission of the Financial Sector.
<b>CSSF Circular 02/80</b>	means the CSSF Circular 02/80 of 5 December 2002 on specific rules applicable to Luxembourg UCIs pursuing alternative management strategies.
<b>ETF</b>	means an exchange traded fund.
<b>EUR</b>	means the lawful currency of the European Union.
<b>FATCA</b>	The US Foreign Tax Compliance Act.

<b>Fund</b>	means Sigma Fund, an investment company with variable capital ( <i>société d'investissement à capital variable</i> ) in the form of a public limited liability company ( <i>société à responsabilité limitée</i> ) incorporated under Luxembourg law.
<b>Hire Act</b>	means the US “Hiring Incentives to Restore Employment Act” of 18 April 2010, as amended from time to time.
<b>Institutional Investors</b>	means investors who qualify as institutional investors in accordance with the administrative practice of the CSSF.
<b>NAV</b>	means the net asset value of the Fund, a Class of Shares or a Share as the case may be.
<b>Professional Investors</b>	means Investors which qualify as professional investors within the meaning of Annex III to the act of 5 April 1993 on the financial sector, as amended.
<b>Prospectus</b>	means this offering document in respect of the Shares, as amended from time to time.
<b>Reference Currency</b>	means the currency of reference and consolidation in which a Class of Shares is held or the currency in which a Category of Shares is denominated.
<b>Registrar Agent</b>	means the entity in charge of holding and maintaining up to date the register of Shares of the Fund.
<b>Securities Financing Transaction or SFT</b>	means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction as defined under SFTR.
<b>SFT Agent</b>	means any person involved in SFTs and/or TRSs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Fund's assets or any Class of Shares' assets (which can be the counterparty of a Class of Shares in an SFT and/or a TRS).
<b>SFTR</b>	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b>Share</b>	means a share issued by the Fund of whatever Class of Shares or Category.
<b>Shareholder</b>	means a holder of a Share.
<b>TRS</b>	means total return swap, <i>i.e.</i> a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total

economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

**UCI** An undertaking for collective investment within the meaning of the 2010 Law.

**USD** means the lawful currency of the United States of America.

**Valuation Day** means a Business Day as of which the Net Asset Value (NAV) is calculated. The NAV is dated as of the Valuation Day based on the closing prices of the preceding Valuation Day.

The Valuation Day shall be any Business Day unless otherwise defined for a Class of Shares in Part II of the Prospectus. The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Class of Shares. In such case the Shareholders of the relevant Class of Shares will be duly informed and the Specific information in Part II of this Prospectus will be updated accordingly.

Reference to the singular includes the plural and *vice versa* and reference to one gender includes the other.

## DIRECTORY

**REGISTERED OFFICE**

11, rue Aldringen, L - 1118 Luxembourg

**BOARD OF DIRECTORS**

Guillermo Zunzunegui  
Director  
Altex Partners Gestión S.G.I.I.C., S.A.U.  
Madrid

Carlos Dexeus  
Director  
Altex Partners Gestión S.G.I.I.C., S.A.U.  
Madrid

Enrique Bailly-Bailliére  
General Manager  
Altex Partners Gestión S.G.I.I.C., S.A.U.  
Madrid

**INVESTMENT MANAGER**

Altex Partners Gestión S.G.I.I.C., S.A.U.  
Maria de Molina Nº5, 1a planta D, E-28006 Madrid

**DEPOSITARY**

KBL European Private Bankers S.A.  
43, boulevard Royal, L - 2955 Luxembourg

**DOMICILIARY AGENT**

Kredietrust Luxembourg S.A.  
11, rue Aldringen, L - 2960 Luxembourg

**REGISTRAR AND TRANSFER AGENT****ADMINISTRATIVE AGENT****INDEPENDENT AUDITOR**

KPMG AUDIT  
31, Allée Scheffer, L - 2520 Luxembourg

## PART I – GENERAL INFORMATION IN RELATION TO THE FUND

### 1. INTRODUCTION

#### 1.1. THE FUND

The Fund was incorporated on 19 April 1995 for an unlimited period. The Fund is an open-ended investment company with variable capital in the form of a public limited liability company.

The Articles have been amended for the last time by the resolutions of the general meeting of Shareholders adopted on 3 September 2003 and were published in the Luxembourg official gazette (*Mémorial, Recueil Spécial des Sociétés*) on 29 September 2003.

The Fund is registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 50828.

The minimum capital of the Fund is EUR 1,250,000.- or its equivalent in any other currency. At incorporation of the Fund, the initial capital of EUR 36,060.73 was fully paid and represented by 600 Shares with no par value of the Class of Shares "SIGMA FUND – Universal" (liquidated on 1 September 2010). The capital of the Fund is at all time equal to the net assets of all Classes of Shares and Categories of Shares aggregated together. The Reference Currency of the Fund is EUR.

The objective of the Fund is to offer to its Shareholders the possibility of investing in an instrument oriented towards growth of capital and which is mainly invested in shares/units of other UCIs.

#### 1.2. THE CLASSES OF SHARES AND CATEGORIES OF SHARES

Each Class of Shares, with its own investment objective, constitutes a separate pool of assets. In this respect the Fund is an "umbrella" structure company enabling investors to choose between one or more investment objectives by investing in one or more Classes of Shares within the same corporate investment vehicle.

The Fund constitutes one sole legal entity. However between Shareholders, each Class of Shares will be deemed to be a separate entity. The assets of a Class of Shares are only applicable to the debts, engagements and obligations of that Class of Shares.

Within each Class of Shares, the Board of Directors is further entitled to create different Categories of Shares that may be characterized by their distribution policy (distribution Shares, capitalization Shares), their Reference Currency, their fee level, and/or by any other feature to be determined by the Board of Directors. In the case a new Class of Shares or Category of Shares is created, this Prospectus will be amended or supplemented by an addendum.

The subscription and redemption prices of Shares of each Class of Shares and/or Category of Shares will be expressed in their Reference Currency.

## **2. INVESTMENT OBJECTIVES, STRATEGY, RISKS AND RESTRICTIONS**

### **2.1. INVESTMENT OBJECTIVES AND POLICY**

The investments within each Class of Shares are subject to market fluctuations and to the risk inherent to all investments. Therefore, the NAV per Share may go down as well as up.

The Fund will be able to invest in shares or units issued by closed-ended UCIs which are listed on a Stock Exchange in Europe, North or South America, Asia, Oceania or Africa.

Potential investors acknowledge that when assets of a Class of Shares will be invested in other open-ended or closed-ended UCIs, subscription, redemption and management fees charged by that other UCI will affect the NAV of the relevant Class of Shares. In addition, when assets of a Class of Shares will be invested in foreign UCIs, the protection of the interests of the investors in such foreign UCIs can be less than in the case of an investment in this Fund. This applies, in particular, to investment in foreign UCIs which are not subject in their state of origin to a permanent supervision performed by a supervisory authority set up by law in order to ensure the protection of investors.

The investments will be made in UCIs which (i) have realised a good performance in the past, (ii) are managed or advised by well-known investment managers or advisors and (iii) have appointed a custodian and an auditor.

The UCIs in which the Fund invests must observe a sufficient diversification of their investments. If the Fund invests in shares/units of real estate funds, venture capital funds or futures and option funds, such UCIs must comply with rules similar to those laid down in Chapter I of the IML circular 91/75 of 21 January 1991, as amended.

Each Class of Shares can also invest its net assets in equities and equity linked securities of companies officially listed on stock exchanges or traded on a regulated market that functions regularly, is recognised and is open to the public, fixed income securities issued by governments, quasi-governments and corporations, term deposits, money market instruments, cash, ETFs, CFDs or structured products such as bonds or other transferable securities whose yield would, for example, be linked to the trend in an index, transferable securities or a basket of transferable securities or an undertaking for collective investment.

### **2.2. RISK WARNING RELATED TO AN INVESTMENT IN SHARES**

The list of risk factors set out below does not purport to be a complete explanation of the risks involved in investing in the Shares. Not all risks apply to all Classes of Shares. Before making any decision to subscribe for or buy Shares, prospective investors should carefully read the entire Prospectus and consult with their professional advisers regarding the tax and other consequences of an investment in the Shares in light of their personal circumstances.

Potential investors should also be aware of the risks associated with the particular investment policy of a Class of Shares and are therefore advised to again consult their financial adviser when determining whether an investment in a particular Class of Shares is suitable for their portfolio.

Investors should remember that the price of Shares and income arising therefrom can fluctuate and is not guaranteed. The price of Shares may go down as well as up and an investor may not get back the amount he has invested. Past performance is not necessarily a guide to future performance. Changes in rates of exchange between currencies may cause the value in terms of any currency of Shares denominated in a different currency to diminish or increase. The levels and bases of, and reliefs from, taxation may change. There can be no assurance that the collective performance of underlying investments will be profitable.

An investment in the Shares involves a high degree of risk, including the risk of loss of the entire amount invested, as a result of both (i) the types of investments to be made by the Classes of Shares and (ii) the structure and operations of the Classes of Shares. There can be no assurance that any of the Classes of Shares will achieve their respective investment objective or that there will be any return of capital to Shareholders. Before investing in the Shares, prospective investors should carefully consider the inherent risks, including the following:

#### ***Regulatory***

The Fund is a Luxembourg domiciled undertaking for collective investment and is therefore primarily governed by Luxembourg legislation. Investors should note that the regulatory protection mechanisms provided by their local regulatory authorities may differ or may not apply. Investors should consult their financial or other professional advisers for further information.

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

The Investment Manager may, from time to time, act as manager, corporate directors, investment manager or adviser to other funds or sub-funds that follow similar investment objectives to those of the Classes of Shares. It is therefore possible that the Investment Manager may in the course of their business have potential conflicts of interest with the Fund or a particular Class of Shares. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligation to act in the best interests of the Fund so far as obligations to other clients are concerned when undertaking investment where potential conflicts of interest may arise.

#### ***Effects of Redemptions***

Large redemptions of Shares within a limited period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Class of Shares' net asset value could make it more difficult for the Investment Manager to generate profits or recover losses.

#### ***General Economic Conditions Risks***

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Fund directly or indirectly holds positions, could impair the Fund's ability to achieve its objectives and/or cause it to incur losses.

#### ***Market Risks***

The success of a significant portion of each Class of Shares' investment program will depend,

to a great extent, upon correctly assessing the future course of the price movements of stocks, bonds, financial instruments and foreign currencies. There can be no assurance that the Investment Manager will be able to predict accurately these price movements.

#### ***Risks on Investment in Fixed Income Securities***

Even though interest-bearing securities are investments which promise a defined stream of income, the prices of such securities generally are inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity or financial condition of the issuer. Certain securities that may be purchased by the Fund may be subject to such risk with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated fixed-income securities.

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

#### ***Risks of Lack of Liquidity in Markets***

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Classes of Shares, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

#### ***Risks of Government Intervention***

Interest rates and trading in financial instruments based on currencies or interest rates are subject to certain risks arising from government regulation of or intervention in the currency and interest rate markets through regulation of the local exchange market restrictions on foreign investments by residents, limits on inflows of funds or changes in the general level of interest rates. Such regulation or intervention could adversely affect the Fund's performance.

#### ***Risks Warning on Investments in Emerging Countries***

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments; economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

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

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Class of Shares engages in OTC derivatives, there is the risk – beyond the general counterparty risk –

that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Class of Shares enters into TRS on a net basis, the two payment streams are netted out, with Funds or each Class of Shares receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Class of Shares' risk of loss consists of the net amount of total return payments that the Fund or Class of Shares is contractually entitled to receive.

***Risk relating to the use of SFTs:***

A Class of Shares may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section 4. "Techniques and Financial Instruments" of this Prospectus. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Class of Shares might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Class of Shares in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Class of Shares could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

A Class of Shares may enter into securities lending transactions subject to the restrictions in Section 2. "Investment Objectives, Strategy, Risk and Restrictions". If the other party to a securities lending transaction should default, the Class of Shares might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Class of Shares could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

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

In respect of margin lending transactions, the Fund and any of its Class of Shares cannot extend credit and may only receive credit subject to the restrictions in Section 2 "Investment Objectives, Strategy, Risk and Restrictions".

***Collateral Management***

Where the Fund enters into OTC financial derivative and/or efficient portfolio management techniques, collateral may be used to reduce counterparty risk exposure. Collateral will be treated in accordance with the Fund's collateral policy as set out in Section 4.7, "Guarantees

and Reinvestment of guarantees received within the framework of financial derivatives and techniques and instruments".

The exchange of collateral involves certain risks, including operational risk related to the actual exchange, transfer and booking of collateral. Collateral received under a title transfer arrangement will be held by the Depositary in accordance with the usual terms and provisions of the Depositary Agreement. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. The use of such third party custodians may involve additional operational and clearing and settlement risk, as well as counterparty risk.

Collateral received will consist of either cash or transferable securities that meet the criteria set out in the Fund's collateral policy set forth in Section 4.7, "Guarantees and Reinvestment of guarantees received within the framework of financial derivatives and techniques and instruments". Transferable securities received as collateral are subject to market risk. The AIFM aims to manage this risk by applying appropriate haircuts, valuing collateral on a daily basis, and accepting only high quality collateral. However, some residual market risk must be expected to remain.

Non-cash collateral must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. However, in adverse market circumstances, the market for certain types of transferable securities may be illiquid and, in extreme cases, may cease to exist. Any non-cash collateral therefore involves a certain degree of liquidity risk.

Any collateral received will not be sold, re-invested or pledged. Accordingly, no risk is expected to arise from the reuse of collateral. Risks linked to the management of collateral will be identified, managed and mitigated in accordance with the AIFM's risk management process concerning the Fund.

#### ***Investment in underlying UCIs***

The managers of the underlying UCIs may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that the investment program of a Class of Shares will be successful or that the investment objective of a Class of Shares will be achieved.

Despite the strict due diligence procedure which will be used to select and monitor the individual underlying UCIs in which the assets of the Fund will be invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon redemption of Shares or the liquidation of the Fund, a Class of Shares or Category, investors may receive less than the amount invested.

The Fund intends to invest in underlying UCIs, which pursue a speculative investment policy. These underlying UCIs will generally fall into the category known as "hedge funds" or "alternative investments". Such underlying UCIs use specific investment and trading techniques such as investing in options and futures or effecting short sales of securities.

#### ***Alternative vs. Traditional Asset Management***

In contrast with traditional asset management based on the assumption of efficient markets

and the perception that outperforming the market over time is impossible without accepting undue risk to capital, alternative asset management presumes that markets are indeed inefficient and offer, therefore, opportunities for increased investment performance without increased risk to capital. Some of the defining characteristics of alternative asset management strategies can be summarised as follows:

- a) Whereas traditional asset management will focus on building a portfolio of long securities, essentially equities and bonds, alternative asset management will use both long and short positions. In addition, the use of derivatives, both for hedging and speculative purposes, is not limited in alternative asset management strategies.
- b) In traditional asset management, the use of leverage is only permitted to a limited extent. By contrast, alternative asset management strategies can be highly leveraged.
- c) A portfolio managed according to traditional asset management principles aims to outperform a benchmark, some form of index, or industry median, following an indexed and/or passive investment approach. Performance, therefore, is measured on a relative basis. Alternative asset management, on the other hand, seeks to capture absolute gains at all times, whether in a rising, static, or falling market, following a dynamic investment approach.

Traditional asset management strategies generate returns, which are more highly correlated to major market indices than alternative asset management strategies.

#### ***Hedge Funds: The Basic Concept***

The quintessential alternative asset management investment vehicle is the “Hedge Fund”, a concept that dates back to the late 1940s, when a former journalist and academic named Alfred Winslow Jones started his A.W. Jones & Co. Partnership. Compared to some of today’s more complex structures, his was remarkably simple. He took two investment tools and merged them into an investment system, and thereby aimed at reducing systematic risk.

By using short sales (borrowing a security and selling it in the hope of being able to repurchase it more cheaply before repaying the lender) to hedge his long positions, effectively cutting out the influence of market movements on his portfolio, he became free to amplify his stock picking skills with leverage (buying securities with borrowed money). A. Jones effectively created a hedge fund system that provided superior returns relative to long only portfolios.

#### ***Hedge Funds: A Contemporary Definition***

Since then, the “Hedge Fund” concept has expanded to include a variety of alternative investment strategies. Far from being a homogenous group, hedge funds today cover a wide array of investment styles and strategies. Some adhere to well defined investment disciplines while others are highly opportunistic. Risk profiles and performance attributes, therefore, can vary substantially. Finally, the style of some hedge funds may evolve over time to better suit market conditions. Broadly speaking, hedge fund styles and investment strategies include the following:

##### ***“Classic”, or micro, hedge strategies***

These cover those strategies applying the original hedge fund model, that is mainly seeking to profit, on a leveraged basis, from the “arbitrage” between a basket of long and short equities

at all times but not necessarily with all assets.

#### ***Macro strategies***

In addition to a core portfolio of long and short equity securities, a macro hedge fund will have a significant portion of its assets invested in non-equity investments such as fixed income securities, currencies, options, various types of futures and forward contracts, CFDs and other synthetic or derivative instruments. Unlike investments in the core portfolio, these non-equity investments do not involve a “bottom-up” fundamental analysis approach but rather “top-down” analysis and projections with respect to various macroeconomic factors such as interest rates and currency exchange rate movements. Macro strategies may include significant highly leveraged positions.

#### ***Arbitrage or relative value strategies***

These strategies are based on the principle that when a price discrepancy exists between related trading instruments, a relative value position may be established by buying the relatively underpriced instrument and hedging that position by selling short the relatively overpriced instrument. If the relationship between these instruments returns to normal (fairly priced), a profit may be realised. Examples of such strategies include: convertible arbitrage, fixed income arbitrage and capital structure arbitrage.

#### ***Event-driven strategies***

These focus on the securities of corporations involved in significant transactions, including mergers, acquisitions, divestitures, tender offers, liquidations, restructurings and other similar corporate events. These strategies profit from the successful completion of a transaction by purchasing the securities at a discount to the value that will be realised upon completion of the transaction.

#### ***Distressed securities investment strategies***

These are based on the observation that securities of companies involved in bankruptcy proceedings are frequently undervalued, providing the prospect of greater appreciation in value than the securities of more financially stable issuers.

Undervaluation, in relation to real fundamental value, may be the result of several factors, including, the difficulty of financial analysis of a troubled issuer, complex legal difficulties and the lack of available information.

The Board of Directors intend to invest the assets of the various Classes of Shares in a variety of underlying UCIs employing primarily alternative asset management strategies including some or all of the above.

#### ***Leverage***

Some underlying UCIs in which the Fund will invest operate with a substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such underlying UCIs may in aggregate value be in excess of the NAV of the relevant Class of Shares. This leverage presents the potential for a rate of total return but also increases the volatility of the relevant Class of Shares, including the risk of a total loss of the amount invested.

#### ***Short Selling Activities***

The underlying UCIs in which the Fund invests may engage in short selling of securities which

may expose a portion of an underlying UCIs' assets committed to such activities to unlimited risk due to the lack of an upper limit on the price to which a security may rise. However, to the extent that the Fund participates in short selling activities through an underlying UCI, the Fund's losses will be limited to the amount invested in the particular underlying UCI.

### ***Custodian Brokers***

Some underlying UCIs in which the assets of the Fund will be invested may have a broker as a custodian instead of a bank. In certain cases these brokers may not have the same credit rating as a bank. In addition, contrary to custodian banks in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations.

### ***Structure of an underlying UCI***

This point is often overlooked by investors. Other than a perfunctory look at the offering document of the underlying UCI to be familiar with the fee structure and the subscription and redemption conditions, investors will generally not become involved in analysing the details of the underlying UCIs structure and in assessing the quality of the various parties involved in the underlying UCI. However, the Board of Directors should review the various parties involved in the "life" of the underlying UCI, such as the custodian, the offshore administrator, the auditor and the legal advisor. Special attention must also be paid to corporate governance issues such as the existence, or not, of an independent board of directors or supervisory board made up of people with the necessary background, experience and independence to fulfil their responsibilities.

### ***Supervision of an underlying UCI***

If the Class of Shares invests in an underlying UCI which is not established in a country in which it is subject to permanent supervision set up by law in order to ensure the protection of investors (such as the countries of the European Union, the United States, Canada, Hong Kong, Japan and Switzerland), the manager or investment manager of the underlying UCI must be subject to supervision by a regulatory authority in the jurisdiction in which it operates or in the reasonable opinion of the Board of Directors investor protection must be sufficiently safeguarded by reason of the underlying UCI being supervised by a first class custodian or audited by a reputable firm of auditors.

### ***Liquidity of underlying UCIs***

The Fund will seek to select underlying UCIs which offer the opportunity to have their shares or units redeemed within a reasonable timeframe, there can be no assurance that the liquidity of such underlying UCIs will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity may affect the liquidity of the Shares and the value of its investments.

For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties in determining the NAV of the Shares and consequently suspension of issues and redemptions of Shares.

### ***Exchange Risk Hedging for a Category of Shares expressed in a Currency other than the Reference Currency of the Class of Shares***

A Category of Shares may be hedged against the exchange rate of the Reference Currency of the Class of Shares to which it pertains, such hedging may, for technical reasons, not be complete and not cover the entire exchange rate risk. Moreover, in case of hedging, the investors of that hedged category of shares will not take advantage of any possible positive

evolution of the exchange rate.

### **Gold and Precious Metals**

Where specified in the Specific information in Part II of this Prospectus, certain sub-funds may invest in instruments providing exposure to the gold or other precious metal (e.g. silver, platinum or palladium) market, including securities or certificates linked to, or backed by the performance of precious metals (e.g. ETCs), mining stocks companies or financial derivatives instrument with an indirect exposure to precious metals.

In particular, securities linked or backed to the value of gold or other precious metals may be volatile, fluctuating substantially over short periods of time, which may directly impact the value of the investment. In times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the prices of gold and other precious metals may be adversely affected. The prices of gold and other precious metals are affected by such factors as: (1) how much of the worldwide supply is held by large holders, such as governmental bodies and central banks; (2) unpredictable monetary policies and economic and political conditions in countries throughout the world; (3) supply and demand for gold bullion as an investment, including bars, coins or gold-backed financial instruments such as exchange-traded funds; (4) demand for gold jewellery; and (5) government policies meant to influence demand for gold and other precious metals.

Besides, the prices of gold and precious metals operation or mining companies are directly affected by: (1) declines in the prices of gold and precious metals; (2) rising capital costs as well as labor and other costs in mining and production; (3) adverse currency fluctuations, economic events or natural disasters or other events with a significant economic effect in the countries where these companies operate; (4) labor disruptions; (5) operational issues and failures; (6) access to reliable energy and equipment supplies; and (7) changes in laws relating to mining, production, or sales. These factors may result in deviations between the prices of the underlying metals and the securities of the operation companies in which the sub-fund invests. In addition, some gold and precious metals mining companies have hedged, to varying degrees, their exposure to falls in the prices of gold or precious metals by selling forward future production, which could limit the company's benefit from future rises in the prices of gold or precious metals or increase the risk that the company could fail to meet its contractual obligations. With respect to mining companies, mining operations have varying expected life spans and companies that have mines with a short expected life span may experience more stock price volatility.

Investments in derivatives related to precious metals can also be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of those commodities derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant precious metals, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of precious metals, may also affect the prices of futures contracts in respect of the relevant precious metal.

Sustainability disclosure

The consideration of sustainability factors in investment decision-making can realise benefits beyond financial markets: It can increase the resilience of the real economy and the stability of the financial system, and in so doing, it can ultimately impact on the risk-return of financial products.

In line with the European Union and its Member States' commitment to the implementation of the UN's 2030 Agenda for Sustainable Development, sustainability risks and the consideration of adverse sustainability impacts have been integrated in the Fund's investment decision-making processes.

While the Sub-Funds do not promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics according to Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector services sector ("SFDR"), and do not have sustainable investment as their objective according to Article 9 of SFDR, sustainability considerations are integrated into the investment decision-making process by assessing the environmental and social characteristics of the companies and UCIs in which investments may be made pursuant to paragraph 2.1 above. Furthermore, the sustainability risks that the Sub-Funds may be subject to are likely to have an immaterial impact on the value of the Sub-Fund's investments.

This assessment is carried out using rating data provided by third-party data sources (such as MSCI or Bloomberg). These ratings use rules-based methodology designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. Companies are rated on a scale according to their exposure to industry-material ESG risks and their ability to manage those risks relative to peers. These ratings aim to measure a company's resilience to long-term, financially relevant ESG risks. Material risks and opportunities for each industry are identified through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. Once identified, these key indicators are assigned to each industry and company.

The Sub-Fund's sustainability criterion will be met by companies that follow good governance practices and are granted the minimum rating established by the Investment Manager from time to time. For companies lacking a rating by third party providers, the Investment Manager will perform a qualitative analysis and will assign an internal rating.

### **3. INVESTMENT RESTRICTIONS**

Investment restrictions below are compliant with the rules set forth by the CSSF Circular 02/80.

#### **3.1. BORROWINGS**

The Fund may borrow up to 25% of the net assets of each Class of Shares without restriction as to the use of the borrowed funds, except as otherwise stated for each Class of Shares in Part II (*Specific information relative to classes of shares*).

The lender should be a leading and recognised financial institution specialising in these types of transactions.

In the borrowing context, the counterpart risk resulting from the difference between (i) the value

of the assets transferred by the Fund to a lender as security in the context of the borrowing transactions and (ii) the debt of the Fund owed to such lender may not exceed 20% of the assets of the Fund. The Fund may, in addition, grant guarantees which do not result in a transfer of ownership or which limit the counterpart risk by other means.

The counterpart risk resulting from the sum of, (i) the difference between the value of the assets transferred as security in the context of the borrowing of securities and, if applicable, the difference between (x) the value of the assets transferred by the Fund to a lender as security in the context of the securities lending transaction and (x) the debt of the Fund owed to such lender, and (ii) the difference between the assets transferred as security and the amounts borrowed referred to above may not exceed, in respect of a single lender, 20% of the assets of the Fund.

### **3.2. RESTRICTIONS APPLICABLE TO INVESTMENTS IN UCI**

- 3.2.1. Any Class of Shares may not invest more than 20% of its net assets in securities issued by the same target UCI.

For the purpose of this limit, each sub-fund of an underlying UCI with multiple sub-funds is to be considered as a distinct underlying UCI provided that the principle of segregation of the commitments of the different sub-funds towards third parties is ensured.

Each Class of Shares can hold more than 50% of the securities of an underlying UCI provided that, if the underlying UCI is an UCI with multiple sub-funds, the investment of the Class of Shares in the underlying UCI represents less than 50% of its net assets.

- 3.2.2. These restrictions are not applicable to the acquisition of securities of open-ended underlying UCIs provided that (i) such underlying UCIs are subject to risk diversification requirements comparable to those applicable to UCIs subject to Part II of the 2010 Law and (ii) such underlying UCIs are subject in their home country to a permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors.

This derogation should not result in an excessive concentration of the investments of a Class of Shares in one single underlying UCI provided that, for the purpose of this limitation, each sub-fund of an underlying UCI with multiple sub-funds is to be considered as a distinct underlying UCI if the principle of segregation of the commitments of the different sub-funds towards third parties is ensured.

Any Class of Shares may invest up to 10% of the net assets in shares or units of any underlying UCI which, in accordance with its investment policy , principally invests in other UCI.

- 3.2.3. The foregoing paragraph shall not apply to closed-ended fund of funds and to feeder funds. feeder funds are investment funds which invest substantially all their assets in one other collective investment undertaking (**Master Fund**). In relation to a Master-Feeder structure, the limits referred to in 3.2.1. and 3.2.2. above do not apply at the level of the feeder fund but shall apply at the level of the Master Fund if investments by any Class of Shares in the Master Fund can only be made through one or more feeder funds; or if investments in such Master Fund are more cost effective through an investment in a feeder. However, any Class of Shares may not acquire shares or units carrying voting rights that would enable it to exercise a significant influence over the management of a feeder fund.

- 3.2.4. The Fund may invest in open-end or closed-end UCIs of the group Altex Partners Gestion S.G.I.I.C., S.A.U in which case there will be no duplication of management fees.
- 3.2.5. If the Fund invests in venture capital funds, the underlying UCIs will have to comply with the specific rules regarding such investments as defined in Chapter I of the IML Circular 91/75.
- 3.2.6. A Class of Shares of the Fund ("Investing Class of Shares") may subscribe, acquire and/or hold shares to be issued or issued by one or more other Classes of Shares of the Fund (each a "Target Class of Shares") without the Fund being subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition, however, that:
  - the Target Class of Shares does not, in turn, invest in the Investing Class of Shares that is invested in this Target Class of Shares; and
  - no more than 10% of the assets of the Target Class of Shares whose acquisition is contemplated may be invested pursuant to its investment policy in shares of other Target Class of Shares of the Fund; and
  - voting rights attached to the shares held by the Investing Class of Shares are suspended as long as they are held by the Investing Class of Shares and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - in any event, for as long as these shares are held by the Investing Class of Shares, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

### **3.3. ADDITIONAL INVESTMENT RESTRICTIONS**

The investment restrictions are aimed at ensuring that investments are sufficiently liquid and diversified.

The Fund may not:

- a) invest more than 10% of the net assets of each Class of Shares in transferable securities which are neither listed on a stock exchange nor traded on a regulated market, which is in continuous operation and which is recognised and open to the public;
- b) acquire more than 10% of the securities of the same nature issued by the same issuing entity; and
- c) invest more than 20% of the assets of each Class of Shares in securities issued by the same issuing body.

The restrictions mentioned in a), b) and c) above are not applicable to securities issued or guaranteed by member states of the OECD or their public agencies or public international institutions or bodies at the EU, regional or worldwide level.

The restrictions set forth under point a), b) and c) above are not applicable to securities issued by underlying UCIs. The restrictions set forth in Clause 3.2 above are applicable to investments in underlying UCIs.

If the limits referred to in a), b) and c), are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the shareholders.

The Fund will maintain on an ancillary basis for each Class of Shares and Category of Shares an amount of cash, which will in general be deposited on a remunerated account.

## **4. TECHNIQUES AND FINANCIAL INSTRUMENTS**

The Fund is authorised for each Class of Shares to:

- a) use techniques and instruments relating to transferable securities, provided such techniques and instruments are used for the purpose of efficient portfolio management; and
- b) employ techniques and instruments intended to provide protection against exchange risks in the context of the management of their assets and liabilities.

For purposes of efficient portfolio management and/or reducing risks (hedging), the Fund may employ techniques on a principal or ancillary basis, as specified in Part II of the Prospectus for the relevant Class of Shares where applicable, which include the following SFTs:

- a) transactions relating to options on transferable securities;
- b) transactions relating to forward contracts on financial instruments and options on such agreements;
- c) transactions relating to securities lending;
- d) repurchase agreements; .
- e) buy-sell back transaction or sell-buy back transaction; and
- f) margin lending transactions.

### **4.1. TRANSACTIONS RELATING TO OPTIONS ON TRANSFERABLE SECURITIES**

The Fund may buy or write call and put options, provided the options are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market in options.

In the context of the above-mentioned transactions, the Fund must comply with the following rules:

#### **RULES APPLICABLE WHEN BUYING OPTIONS**

The value of the premiums paid for buying put and unexercised call options referred to under Clause 4.1. may not, together with the value of premiums paid for buying put and unexercised call options mentioned under the heading "*Transactions entered into for purposes of hedging*" in Clause 4.2 below, exceed 15% of the NAV of each Class of Shares.

## **RULES DESIGNED TO ENSURE THAT THE COMMITMENTS RESULTING FROM OPTION TRANSACTIONS CAN BE COVERED**

At the time of writing a call option, the relevant Class of Shares must hold either the underlying securities, the corresponding call options or other instruments capable of guaranteeing coverage of the obligations assumed under the contracts in question, such as warrants.

The securities underlying written call options cannot be sold so long as such options are outstanding if they are not hedged by corresponding call options or other instruments which may be used for the same purpose.

The same applies to corresponding call options or other instruments that the relevant Class of Shares is required to hold if it does not own the underlying securities at the time the related call option is written.

As an exception to this rule, each Class of Shares may write call options relating to securities, which it does not, own at the time the option agreement is concluded under the following conditions:

- a) the exercise price of the call options being written must not exceed 25% of the total net assets of the relevant Class of Shares; and
- b) the relevant Class of Shares must be at all time capable of hedging the positions taken in the context of the writing of such options.

When writing put options, the relevant Class of Shares must maintain an amount of collateral during the entire term of the option agreement that will be established by the Custodian.

## **CONDITIONS AND LIMITATIONS ON THE WRITING OF CALL AND PUT OPTIONS**

The sum of the commitments resulting from the writing of put and call options (excluding the writing of call options for which the relevant Class of Shares has adequate coverage) and the sum of the commitments resulting from transactions described under the heading "*Transactions entered into for the purposes of hedging*", must never together exceed the aggregate net assets of the relevant Class of Shares.

For such purpose, the commitment for written call and put options corresponds to the total sum of exercise prices for these options.

### **4.2. TRANSACTIONS RELATING TO FORWARD CONTRACTS AND OPTION CONTRACTS ON FINANCIAL INSTRUMENTS**

Except for transactions by mutual agreements referred to under the heading "*Transactions aimed at hedging risks related to changes in interest rates*" below., the transactions hereunder must only be based on contracts which are traded on a regulated market, which is in continuous operation, and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market in options. Subject to the conditions set forth hereafter, these

transactions may be engaged in for hedging or other purposes.

### **TRANSACTIONS AIMED AT HEDGING RISKS RELATED TO STOCKMARKET TRENDS**

With a view to globally hedging its assets against the risk of an unfavourable swing in the stockmarket, the Fund may sell forward contracts on stock exchange indices. For the same reasons, they may also write call options or buy put options on stock exchange indices.

The hedging objective of the above-mentioned transactions implies that there will be a sufficiently close relationship between the composition of the index used and that of the corresponding portfolio.

In general, the total of the obligations relating to forward contracts and option agreements on stock exchange indices must not exceed the aggregate value of the securities held by the relevant Class of Shares in the asset class corresponding to such index.

### **TRANSACTIONS AIMED AT HEDGING RISKS RELATED TO CHANGES IN INTEREST RATES**

With a view to globally hedging itself against variations in interest rates, the Fund may sell interest rate forward contracts. For the same reasons, it may write call options or buy put options on interest rates or enter into interest rate swaps in the context of transactions by mutual agreements with leading financial institutions specialising in this type of transaction.

When concluding such agreements, the total value of the forward contracts, options and interest rate swaps must in general not exceed the aggregate value of the assets of the Class of Shares denominated in the corresponding currency.

### **TRANSACTIONS ENTERED INTO FOR PURPOSES OF HEDGING**

The Fund may enter into forward currency contracts as well as writing call options and buying put options on currencies. Such transactions are limited to agreements which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market in options.

For the same purpose, the Fund may enter into forward sales of currencies or currency swaps in the context of transactions by mutual agreements dealing with leading financial institutions specialising in these sorts of transactions.

The objective of the above-mentioned transactions, namely the hedging of the assets of each Class of Shares, presupposes the existence of a direct link between such transactions and the assets to be hedged, which implies that transactions involving a currency must generally not exceed in amount the aggregate estimated value of the assets expressed in such currency nor extend beyond the holding period for such assets.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for the reports in question.

### **TRANSACTIONS ENTERED INTO FOR PURPOSES OTHER THAN HEDGING**

Other than option contracts on securities and foreign currency contracts, the Fund may, for purposes other than hedging, buy and sell forward contracts and buy and write options on all types of financial instruments, including options contracts on securities and foreign currency contracts, as well as enter into equity swap agreements traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market, provided that the sum of the commitments resulting from such purchase and sale transactions, when added to the sum of all commitments resulting from the writing of put and call options on transferable securities, does not exceed at any time the total net assets of the relevant Class of Shares.

Written call options on transferable securities for which the relevant Class of Shares is adequately hedged are not taken into account for the calculation of the sum of all commitments referred to above.

In this context, commitments resulting from transactions other than options on transferable securities are defined as follows:

- a) The commitments arising from forward contracts are equal to the net settlement values for positions on contracts relating to identical financial instruments (after offsetting of short and long positions), without regard to the respective maturity dates;
- b) The commitments arising from writing or purchasing option contracts is equal to the sum of the exercise prices of the options making up the net short position on the same underlying asset, without regard to the respective maturity dates; and
- c) The commitments arising from the equity swap agreements is equal to the engagement the class has entered into in favour of the counterparty according to the provisions of the swap agreements concerned.

It is noted that the amount of premiums paid for the acquisition of call and open put options referred to herein must not, together with the amount of premiums paid for the acquisition of call and put options on transferable securities referred to under the heading "*Rules applicable when buying options*" exceed 15% of the total net assets of the relevant class.

N.B.: The swap agreements will be valued on the basis of the following criteria: the exercise price, the value of the underlying portfolio assets, the degree of volatility, the remaining maturity, the interest receivables and the expected yield of the underlying portfolio assets.

In order for the valuation of the swap agreements to reflect a fair value at prevailing market conditions, the Fund will have the swap agreements valued on the basis of valuations obtained on regular intervals not independent to the swap agreements. Any material differences in the quote so obtained will be reflected in the valuation of the swap agreements prior to the

calculation of the applicable NAV of the Fund.

**4.3. SECURITIES LENDING AND BORROWING REPURCHASE AGREEMENT TRANSACTIONS (FOR FURTHER DETAILS PLEASE REFER TO THE CSSF CIRCULAR 08/356)**

**SECURITIES LENDING AND BORROWING TRANSACTIONS**

The Fund may enter into securities lending and borrowing transactions provided that they comply with the following rules:

- a) The Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution, through a lending program organized by a financial institution or through a first class financial institution specialising in this type of transaction subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law.
- b) As part of lending transactions, the Fund must receive a guarantee, the value of which must be, during the lifetime of the agreement, equal at any time to at least 90% of the value of the securities lent.
- c) This guarantee must be given in the form of:
  - (i) liquid assets; and/or
  - (ii) sovereign OECD bonds;
  - (iii) shares or units issued by specific money market UCIs;
  - (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity;
  - (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index;
  - (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v).

This collateral must be valued on a daily basis and rated AAA or equivalent concerning the shares or units issued by specific money market UCIs. The collateral may be reinvested within the limits and conditions of the CSSF regulations.

**REPURCHASE AGREEMENT TRANSACTIONS**

The Fund may, on an ancillary or a principal basis, as specified for each Class of Shares in its investment policy, enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the parties in their

contractual arrangement.

The Fund can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- a) The Fund may not buy or sell securities using a repurchase agreement transaction unless the counterpart in such transactions is a first class financial institution specialising in this type of transaction subject to prudential supervision rules considered by the CSSF as equivalent to those provided by Community law.
- b) During the life of a repurchase agreement contract, the Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent the Fund has other means of coverage.
- c) As the Fund is exposed to redemptions of its own Shares, it must ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.
- d) Securities that may be purchase are limited to:
  - (i) liquid assets;
  - (ii) sovereign OECD bonds;
  - (iii) shares or units issued by specific money market UCIs;
  - (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity;
  - (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index; and
  - (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v).

The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase / repurchase agreement transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

#### **4.4. REINVESTMENT OF COLLATERAL RECEIVED IN CONNECTION WITH SECURITIES LENDING AND REPURCHASE TRANSACTIONS**

The Fund may not reinvest the collateral received in connection with securities lending and repurchase transactions.

**4.5. "BUY-SELL BACK TRANSACTION" OR "SELL-BUY BACK TRANSACTION"**

*The Fund may, on a principal or ancillary basis, as specified for each Class of Shares in its investment policy, enter into transactions by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse repurchase agreement in the meaning of section 4.3 above.*

**4.6. "MARGIN LENDING TRANSACTION"**

The Fund may, on a principal or ancillary basis, as specified for each Class of Shares in its investment policy, enter into transactions in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

**4.7. GUARANTEES AND REINVESTMENT OF GUARANTEES RECEIVED WITHIN THE FRAMEWORK OF FINANCIAL DERIVATIVES AND TECHNIQUES AND INSTRUMENTS**

To limit the counterparty risks linked to OTC financial instruments and to efficient portfolio management techniques, the Fund shall ensure that the counterparty remits and holds throughout the duration of the transaction, financial guarantees as described below.

**GUARANTEE LEVEL AND VALUATION**

The level of guarantee required for OTC derivatives and other techniques and instruments shall be fixed in line with the nature and characteristics of the transactions carried out, counterparties, market conditions and regulations applicable. The level of guarantees received by a Class of Shares during the period of the transaction should be equal to 100% of the total value of the securities lent or repurchased or received within the framework of the OTC derivatives transaction.

The guarantees shall be valued on a daily basis, based on the available market prices and adequate deductions decided on by the AIFM for each asset class other than cash on the basis of its haircut policy. If the prices of the guarantees received are very volatile, the Fund shall require other guarantees or apply a conservative discount.

**HAIRCUT POLICY**

This policy takes into account many factors depending on the nature of the guarantees received, such as the issuer's credit rating, the maturity, currency and volatility of the assets price.

The following discounts are applied by the Fund to the eligible assets received in guarantee as set forth in the next paragraph:

Eligible guarantee	Discount
Cash	0%
Bonds issued by supranational issuers or agencies ( $\geq$ AA)	3%
Bonds issued by OECD States ( $\geq$ BBB)	3%
Bonds issued by private companies ( $\geq$ A)	5%
Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index.	5% - 15%

## ASSETS ACCEPTED IN GUARANTEE

**Cash:** Any guarantee received by the Class of Shares should be highly liquid, traded on a regulated market or a multilateral trading system offering price transparency to allow the quick resale at a price close to the value at the moment of presale. The Fund shall only accept as guarantees:

- (i) cash;
- (ii) bonds issued by supranational issuers or agencies with an AA rating from Standard & Poor's or equivalent;
- (iii) bonds issued by OECD states with an BBB credit rating from Standard & Poor's or equivalent; or
- (iv) bonds issued by private companies with a credit rating equal to or higher than A from Standard & Poor's or equivalent.
- (v) Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index.

**High-grade issuers:** the guarantees received will be of high quality.

**Correlation:** the guarantees received should be issued by a body independent of the counterparty and should not be strongly correlated with the counterparty's performance.

**Diversification:** the financial guarantees must be sufficiently diversified in terms of countries, markets and issuers. In particular, when a Class of Shares is exposed to several counterparties, all the financial guarantees received from the counterparties must be aggregated and the value of the assets issued by the same issuer and received as a guarantee may not be more than 20% of the Class of Shares' net assets.

**Risks:** the risks linked to managing the guarantees, such as legal and operational risks are identified, managed and reduced in accordance with the AIFM's risk management process concerning the Fund.

**Transfer of ownership:** guarantees received with the transfer of ownership shall be held by the Fund's custodian bank. For other guarantees received, the guarantees may be held by a third-party custodian subject to supervision and not linked to the counterparty providing the guarantee.

**Realisation:** the Class of Shares must be able to realise the guarantees at any time without the involvement or agreement of the counterparty.

## INVESTMENT POLICY

The financial guarantees may not be sold, reinvested or pledged.

### 4.8. REGULATORY DISCLOSURE

The Fund and any of its Classes of Shares may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFT and TRS for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Class of Shares. Investors should refer to the risk factors in Section 2 "Risk warnings related to an investment in Shares" of this prospectus for special risk considerations applicable to the use of SFT and TRS.

The Fund and any of its Classes of Shares may in particular enter into swap contracts relating to any financial instruments or indices, including TRSs. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

The Company or any of its delegates will report the details of any SFT and TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR.

The maximum and expected proportion of assets that may be subject to SFTs or TRSs, as well as the types of assets that are subject to TRS or SFT will be set out for each Class of Shares in Part II of the Prospectus. If a Sub-fund intends to make use of SFTs or TRSs, the relevant appendix in Part II of the Prospectus will include the disclosure requirements of the SFTR.

None of the SFT Agents or counterparties to the OTC derivative transactions are affiliated with the Fund or the AIFM.

The Fund shall conclude transactions only with counterparties that the Fund deems creditworthy. Credit analysis of counterparties is adapted to the targeted activity and may include, among others, a review of the management team, liquidity, cost efficiency, company structure, regulatory framework applicable to the jurisdiction concerned, capital adequacy and quality of assets. Counterparties approved shall in principle be graded BBB minimum. Although no specific criteria shall apply as regards the legal status or the country of origin when selecting counterparties, those elements are generally taken into account. Besides, counterparties shall abide by prudential rules deemed by the CSSF as equivalent to prudential rules of the EU. Counterparties have no right of inspection with respect to the composition or the management of the portfolio.

All the revenues arising from the use of EPM Techniques, SFTs or TRS, net of direct and indirect operational costs, will be returned to the relevant Class of Shares.

## **5. ADMINISTRATION AND SERVICE PROVIDERS**

The Board of Directors is responsible for determining and realising its investment policy and management policy.

### **5.1. INVESTMENT MANAGER**

The Fund has appointed Altex Partners Gestión S.G.I.I.C., S.A.U. to act as Investment Manager of the Fund pursuant to the Investment Management Agreement entered into with effective date on 16 July 2012.

Altex Partners Gestión, S.G.I.I.C., S.A.U. was established on 24 November 2006 in the form of a public limited liability company (*sociedad anónima unipersonal*) under Spanish law and registered with the Trade Register of Madrid (*Registro Mercantil de Madrid*), volume 23.553, folio 144, section 8 – page nº M-422.632. Its registered office is located at Príncipe de Vergara 43, 1<sup>a</sup> planta, 28001 Madrid. On 22 January 2007, Altex Partners Gestión, S.G.I.I.C., S.A.U. was authorised by the Spanish Regulatory Authority (*Comisión Nacional del Mercado de Valores* or *CNMV*), under registration number 215, to manage collective investment schemes.

As consideration for its services as Investment Manager to the Fund, Altex Partners Gestión S.G.I.I.C., S.A.U. may receive management fees as determined in Part II (*Specific information relative to classes of Shares*) of this Prospectus.

### **5.2. DEPOSITORY**

KBL European Private Bankers S.A., *société anonyme*, having its head office at 43 Boulevard Royal, L-2955 Luxembourg, was appointed as depositary of all the Fund's assets pursuant to a Custodian Agreement dated 19 April 1995.

The Depositary must:

- a) ensure that the sale, issue, re-purchase and cancellation of shares effected by or on behalf of the Fund are carried out in accordance with the law and the Articles;
- b) ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits;
- c) ensure that the income of the Fund is applied in accordance with its Articles.

KBL European Private Bankers S.A. is a bank organised as a *société anonyme* under the laws of Luxembourg and was incorporated on 23 May 1949. As of 31 December 2016, its capital and reserves amounted to EUR 1.330.318.462,10.

The fees for KBL European Private Bankers S.A.'s services are charged, in accordance with usual bank fees. The Depositary will be entitled to a fee expressed on a reducing percentage of the net assets of all Classes of Shares, payable monthly and to a flat transaction fee on all operations relating to receipt or delivery of portfolio securities.

The custodian agreement is made for an unlimited duration and may be terminated by either party upon a ninety (90) calendar days' written notice.

### **5.3. DOMICILIARY, REGISTRAR AND TRANSFER AND ADMINISTRATIVE AGENT**

Pursuant to the Domiciliary Agency, Registrar and Transfer Agency and Administrative Agency Agreements all dated 19 April 1995, Kredietrust Luxembourg S.A. was appointed as Domiciliary Agent, Registrar Agent and Administrative Agent of the Fund. These agreements are made for an unlimited duration and may be terminated by either party upon ninety (90) calendar days' written notice.

Kredietrust Luxembourg S.A., in its position as Administrative and Registrar Agent, has charged, under its responsibility, European Fund Administration *société anonyme*, established in Luxembourg, with the fulfilment of its duties.

## **6. THE SHARES**

### **6.1. GENERAL DESCRIPTION OF THE SHARES**

The Shares of any Class of Shares and Category of Shares are freely transferable, except for the Categories of Shares dedicated to restricted investors and shares of Sigma Fund Real Return - Category C.

Upon issue, Shares are only entitled to participate equally in the profits, dividends and liquidation results of the relevant Class of Shares or Category to which they pertain.

The Shares do not carry any preferential or pre-emptive rights and each whole Share is entitled to one vote at all general meetings of Shareholders. The Shares are issued without par value and must be fully paid up.

Shares of any Class of Shares or Category of Shares will be issued in registered form. Fractions of registered Shares can be issued up to three decimals. No certificates will be issued and a confirmation in writing of the shareholding shall be issued instead.

### **6.2. ANTI MONEY-LAUNDERING AND TERRORISM FINANCING**

Pursuant to international rules and Luxembourg laws and regulations including but not limited to, the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended, and circulars of the CSSF, certain obligations have been imposed on all professionals of the financial sector to prevent the use of UCI for money laundering or terrorism financing purposes. Thus, the Registrar Agent must in principle ascertain the identity of the subscriber of shares in accordance with Luxembourg laws and regulations and may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Fund nor the Registrar Agent shall be held liable for delays or failure to process deals should the documentation required was incomplete or missing.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

### **6.3. LATE TRADING AND MARKET TIMING**

Shares are not offered, nor is the Fund managed or intended to serve as a vehicle for market timing or late trading or other excessive trading practices as such practices could result in actual or potential harm to the Shareholders. Accordingly, the Fund may refuse any subscription, conversion or redemption of Shares, in full or in part from Shareholders suspected of such practices and take any other decision as it may think necessary to protect the interests of other Shareholders.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or share of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies

in the method of determination of the NAV of the Fund.

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the NAV applicable to such same day.

#### **6.4. LISTING ON STOCK EXCHANGES**

A Class of Shares or a Category of Shares may be listed on the Luxembourg stock exchange or a foreign stock exchange. In such case, it will be disclosed in Part II.

#### **6.5. SUBSCRIPTIONS OF SHARES**

For each Class of Shares and Category of Shares (except for shares of Real Return - Category C), the Board of Directors is authorised to issue an unlimited number of Shares at any time (unless the calculation of the NAV has been suspended).

#### **INITIAL SUBSCRIPTIONS**

The Board of Directors decides the dates of the initial subscription period of the Classes of Shares and Categories of Shares which is described in Part II. The Prospectus will be updated accordingly for each Class of Shares.

The Board of Directors may decide to terminate the end of the initial subscription period of any offered Shares.

The minimum subscription for an investor within the initial subscription period is set forth in Part II for each Class of Shares and Category of Shares.

The subscription amounts have to be paid at the latest on the last Business Day of the subscription period.

#### **SUBSEQUENT SUBSCRIPTIONS**

Whenever the Fund offers Shares for subscription, the price of the Shares shall be the NAV for the relevant Class of Shares or Category of Shares plus such subscription fee as mentioned in Part II in favor of professional intermediaries, such price to be rounded to the nearest whole hundredth in the Reference Currency of the relevant Class of Shares or Category of Shares.

Subsequent subscriptions are not restrained by any minimum subscription (or holding).

The applicable NAV is determined according to the date and time of receipt by the Registrar Agent of the subscription application, as further detailed in Part II.

Payment of the subscription price is made in favor of the relevant Class of Shares or Category of Shares at the latest on the third Business Day following the applicable Valuation Day.

No Shares of any Class of Shares or Category of Shares will be issued by the Fund during any period of suspension of the determination of the NAV of that Class of Shares or Category of Shares.

The administrative costs and expenses incurred in connection with the subscription of Shares will be charged to the Shareholder.

#### **6.6. CONVERSION BETWEEN CLASSES OF SHARES OR CATEGORIES OF SHARES**

Shareholders may convert all or part of their Shares of a Class of Shares or Category of Shares into Shares of another Class(es) of Shares or Category(ies) of Shares by giving written notice to the Registrar Agent, unless (i) there is a suspension of the determination of the NAV of the relevant Class of Shares or Category of Share or (ii) otherwise provided for in Part II.

No switching fee will be charged for the conversion.

The number of Shares to be allocated following a conversion will be determined in accordance with the following formula:

Number of Shares allocated = (number of Shares converted x NAV of Shares converted x exchange currency rate between the Reference Currency of Shares converted and Reference Currency of Shares allocated) / NAV of Shares allocated.

#### **6.7. REDEMPTION OF SHARES**

A Shareholder may at any time require the Fund to redeem all or part the Shares he holds in the Fund, except in case of any suspension of the determination of the NAV of the Class of Shares or Category of Share to be redeemed.,

A Shareholder, wishing to have Shares redeemed by the Fund has to apply in writing to the Registrar Agent. Applications should indicate the number of Shares to be redeemed, the Class of Shares and Category of Shares concerned.

No redemption commission will be charged.

Shareholders will be repaid in the Reference Currency of the relevant Class of Shares or Category of Shares. However if a Shareholder requests to be repaid in any other freely convertible currency the necessary foreign exchange transaction will be arranged by the Registrar Agent on behalf of and at the sole expense of the Shareholder, without any liability for the Registrar Agent or the Fund.

Payment for Shares redeemed will normally be made not later than three (3) Business Days following the applicable Valuation Day. Payment will be made at the sole expense of the Shareholder, by transfer of funds to the account of the Shareholder.

When the liquidity of any particular Class of Shares is not sufficient to enable the payment to be made within three (3) Business Days of the applicable Valuation Day, such payment will be made as soon as reasonably practicable thereafter. To this end, the Fund may sell some assets of the relevant Class of Shares or Category of Shares or make temporary borrowings.

**The attention of potential investors is drawn to the fact that the possibility to redeem Shares can be limited in the following cases:**

- a) when some assets of a Class of Shares are invested in UCIs whose the NAV is not calculated on a regular basis ;
- b) when some assets of a Class of Shares are invested in UCIs which do not provide for redemption or limit the possibility to redeem their units or shares, for reasons linked to the applicable legislation and regulations, to contractual provisions or to the legal structure of the UCIs.

## **6.8. RIGHTS ATTACHED TO THE SHARES**

### **NOMINEE WARNING**

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

### **DIVIDEND POLICY**

Although the Articles allow the Board of Directors to propose the payment of a dividend at the annual general meeting of Shareholders, the Board of Directors does not intend to propose any distribution of dividend to the Shareholders. Only capitalisation Shares are issued.

### **VOTING RIGHTS**

The annual general meeting of Shareholders of the Fund is held at the registered office of the Fund in Luxembourg on the second Monday of June each year at 11:00 a.m. or, if such day is not a Business Day, on the following Business Day.

The Board of Directors may convene any other ordinary or extraordinary general meeting of Shareholders.

Notices of all general meetings will be made in accordance with article 70 of the 1915 Law. Such notices will set forth the agenda, specify the date, time and place of the meeting, the conditions of admission and the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting.

The requirements as to the attendance, quorum and majorities of the general meetings of Shareholders are laid down in articles 67-1 and 70 of the 1915 Law and in the Articles.

Resolutions of Shareholders' meetings will apply to the Fund as a whole and to all Shareholders in the Fund, provided that any amendment affecting the rights of the holders of the Shares of any Class of Shares or Category of Shares vis-à-vis those of any other Class of Shares or Category of Shares are subject to the same quorum and majority requirements of those laid down in articles 67-1 and 70 of the 1915 Law in respect of each such relevant Class of Shares or Category of Shares.

Each Share of whatever Class of Shares or Category of Shares and regardless of the NAV per Share within the Class of Shares is entitled to one vote.

## **7. AIFM STATUS OF THE FUND**

For the purpose of the AIFM Law, the Fund is an "internally managed AIF" that has not appointed any external AIFM. As at the date of this Prospectus, the total assets of the Fund (including assets acquired through the use of leverage) do not exceed EUR 100 million. The Fund is therefore not subject to the full obligations of the AIFM Law under article 3.2(a) of the AIFM Law as long as the total assets of the Fund (including assets acquired through the use of leverage) do not exceed EUR 100 million.

Investors should therefore note that, unless and until the Fund becomes compliant with the AIFM Law or another entity duly authorised as an AIFM under the AIFM Law is appointed as external AIFM of the Fund, the Fund will not benefit from any of the rights granted under, or be subject to the full obligations applicable under, the AIFM Law. The Fund is currently subject only to the "de minimis" obligations applicable to AIFMs under article 3.2(a) of the AIFM Law.

The Fund will monitor on an on-going basis its total assets under management for the purpose of the AIFM Law and compliance with the "de minimis" thresholds. If, at a certain point in time, the Fund's total assets under management were to exceed the applicable threshold and the Fund believes that this situation is not of a temporary nature, the Fund will submit an application to become authorised as an AIFM subject to the full requirements of the AIFM Law or see to it that another entity duly authorised as an AIFM under the AIFM Law be appointed as external AIFM of the Fund. The requirements that would apply to the Fund under the AIFM Law relate *inter alia* to the duties of the Depositary and the valuation of the assets of the Fund. The Fund would also be subject to additional reporting requirements. Additional operating costs would be incurred by the Fund as a result of these requirements, which may affect the actual returns of the Fund and the terms and structure of the Fund would have to be adjusted.

## **8. TAXATION**

The tax consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with its circumstances. Before an investment in the Fund, investors should inform themselves and if necessary consult their tax adviser on the possible tax consequences of subscribing, holding, transferring and redeeming Shares.

### **8.1. THE FUND**

The Fund is not liable to any Luxembourg income tax, nor are dividends paid by the SICAV liable to any Luxembourg withholding tax.

Each Class of Shares and Category of Shares is, however, liable in Luxembourg to a tax of 0.05% per annum of its net assets, except for the part of the net assets invested in UCIs already submitted to that tax, such tax being payable quarterly on the basis of the net assets of the Fund at the end of the relevant quarter.

No stamp duty or other tax will be payable in Luxembourg on the issue of Shares except once and for all a tax of EUR 1,239.47- which was paid upon incorporation.

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

Investment income received by the Fund may be liable to withholding taxes in the country of origin concerned at varying rates; such withholding taxes are not recoverable.

The above statements are based upon the law in force at the date hereof and may be subject to modification.

### **8.2. SHAREHOLDERS**

#### **8.2.1. TAXATION OF RESIDENT SHAREHOLDERS**

##### ***Luxembourg resident individuals***

Any dividends and other payments derived from the Shares by resident individual Shareholders, who act in the course of either their private wealth or their professional/business activity, are subject to income tax at progressive ordinary rates. They do not qualify for the exemption of the half amount.

A gain realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth, is not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than six (6) months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his/her spouse or registered partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realization of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the taxpayer acquired free of charge, within the five (5)

years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five (5)-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). If the Shares are disposed within a period of less than six (6) months after the acquisition thereof, or if their disposal precedes their acquisition, capital gains are subject to income tax at ordinary rates. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding. The exchange of one class of Shares against a different class of Shares of the same Fund generally qualifies as a disposal.

Capital gains realized on the disposal of the Shares by resident individual Shareholders, who act in the course of the management of their professional/business activity, are subject to income tax at progressive ordinary rates.

Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

### ***Luxembourg corporate residents***

Luxembourg resident corporate Shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes, unless the Shareholder is exempt. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Luxembourg resident Shareholders benefiting from a special tax regime

Luxembourg resident Shareholders which are benefiting from a special tax regime, such as (i) undertakings for collective investment governed by the 2010 Law, (ii) specialized investment funds subject to the 2007 Law and, (iii) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

## **8.2.2. TAXATION OF NON-RESIDENT SHAREHOLDERS**

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

Non-resident corporate Shareholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### **8.3. FATCA**

Under the FATCA provisions of the Hire Act, where the Fund invests directly or indirectly in US assets, payments to the Fund of US-source income after 31 December 2013, gross proceeds of sales of US property to the Fund after 31 December 2014 and certain other payments received by the Fund after 31 December 2016 will be subject to 30% US withholding tax unless the Fund complies with FATCA. FATCA compliance can be achieved by entering into an agreement with the US Secretary of the Treasury under which the Fund agrees to certain US tax reporting and withholding requirements as regards holdings of and payments to certain investors in the Fund or, if the Fund is eligible, by becoming a deemed compliant fund. However, the form of the agreement has not been provided by the US Government, US regulations which set out the detailed rules have not been finalised and there may be agreements reached between certain governments (and in particular Luxembourg) and the United States that could impact upon compliance with FATCA. Any amounts of US tax withheld may not be refundable by the Internal Revenue Service (**IRS**). The Fund may become FATCA compliant.

This is a complex area and therefore potential investors should consult their advisers regarding the application of the withholding rules and the information that may be required to be provided and disclosed to the Fund, and in certain circumstances to the IRS as will be set out in the final FATCA regulations. Investors are also recommended to check with their intermediaries as to their intention to comply with FATCA. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

### **8.4. COMMON REPORTING STANDARD**

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “**Standard**”) and its Common Reporting Standard (the “**CRS**”) as set out in the Luxembourg Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation law (the “**CRS Law**”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authority (the “**LTA**”) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “Reportable Persons”) and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Chapter 1 Article 4 of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the

CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data not be accurate. The investors further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA. Such investor failure to comply with the Fund's Information or documentation requests shall be an obstacle to the entry into or to the continuation of the relationship between the Fund and the investor.

## **9. CHARGES AND EXPENSES**

The Fund will be responsible for the payment of the fees of the Directors, the Investment Manager, the Custodian, the Domiciliary Agent, the Registrar Agent, the Administrative Agent, the Auditor(s) of the Fund, the cost of printing and distributing the annual and semi-annual reports, any other periodical information and Prospectus, the costs and expenses incurred in connection with the formation of the Fund, legal expenses that may be incurred by the Fund or the Custodian while acting in the interest of the shareholder, all brokerage, taxes and governmental duties and charges payable by the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency, the cost of publication of prices and its other operating expenses as well as the listing fees.

The costs and expenses incurred in connection with the launch of new Classes of Shares or Category of Shares, including those incurred in the preparation and publication of this Prospectus, all legal and printing costs, some launch expenses (including advertising costs) and preliminary expenses are borne by the relevant Classes of Shares or Category of Shares and amortised over the first five (5) years on a straight line basis.

Each Director is entitled to remuneration for his services at the rate determined by the Fund in Shareholders' general meeting from time to time.

Each Class of Shares and Category of Shares is charged with all costs or expenses directly attributable to it plus a proportion of the costs and expenses not attributable to a particular Class of Shares or Category of Shares on a prorata basis of the NAV's of the underlying Classes of Shares or Categories of Shares.

All recurring charges will be charged first against current income, then against capital gains, then against assets.

## **10. NET ASSET VALUE**

### **10.1. DETERMINATION OF THE NAV**

The NAV of a Class of Shares shall be expressed in the Reference Currency of the relevant Class of Shares and be determined on each Valuation Day and on any such day that the Board may decide from time to time.

### **10.2. VALUATION OF THE ASSETS**

It is normal policy of the Fund to value its investments on the basis of market quotations furnished by a pricing service. If no appropriate quotation is available the Board of Directors may rely on one or more banks or brokers for confirmation of the price.

The NAV's of the different Classes of Shares and Categories of Shares are determined by deducting the total liabilities corresponding to each Class of Shares or Category of Shares from the total assets corresponding to each Class of Shares and/or Category of Shares. Total assets are the sum of all cash, accrued interest and the current value of all investments plus the current value of any other assets held. Total liabilities include all accrued liabilities determined in accordance with International Accounting Standard under the accrual basis of accounting.

The assets of the Fund shall be determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such a discount as the Board of Directors may consider appropriate in such a case to reflect the true value thereof;
- b) The value of securities which are quoted or dealt in on any stock exchange shall be based on the last available closing price quoted or the best available price on such Stock Exchange on the relevant Valuation Day;
- c) The value of securities dealt in on another regulated market which operates regularly and is recognised and open to the public ("the **regulated market**") shall be based on the last available price applicable to the relevant Valuation Day;
- d) In the event that any of the securities held in the portfolio of the Fund on the relevant Valuation Day are not quoted or dealt in on any stock exchange or dealt in on another regulated market, or if the price as determined pursuant to sub-paragraphs (2) or (3) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith;

Prices of the UCI which target private equity investments will mainly be valued based on quarterly reports received from the underlying UCIs.

Based on this source, if no other updated price is available, there could occur a time difference between the valuation date of the asset in a Class of Shares and the valuation date of the quarterly report issued by the underlying UCI. Shareholders must therefore be aware that the prices that will be used in the NAV calculation could be slightly different than the realisation price of these assets despite the fact that the Board of Directors has used all available information to make sure of the accuracy of the prices used for the calculation of the NAV.

The Board of Directors will, in fine, remain responsible for the valuation methods used and the results thereof.

The assets of the Fund invested in underlying UCIs will be valued at the final NAV for such shares or units as of the relevant Valuation Day. If such final NAV is not available they shall be valued at the estimated NAV as of such Valuation Day, or, if such estimated NAV is not available, they shall be valued at the last available actual or estimated NAV which is calculated prior to such Valuation Day whichever is the closer to such Valuation Day.

Despite the fact that the Board of Directors has used all available information to make sure of the accuracy of the prices used for the valuation of the NAV, Shareholder must be aware that the last available valuation of the underlying UCIs used in the NAV valuation could be slightly different than the final NAV of these assets. Whether these differences are increasing or decreasing the NAV, no adjustment of the amount of the redemption proceeds received by redeeming shareholders nor of the amount of subscription will be made.

- e) All investments, cash balances and other assets of the Fund expressed in currencies other than the Reference Currency of the different Classes of Shares and Categories of Shares shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the NAV.

The NAV per Share of a Class of Shares or Category of Shares as well as the issue and redemption prices of such Shares may be obtained at any time at the registered office of the Fund.

### **10.3. SUSPENSION OF THE DETERMINATION OF THE NAV**

The Fund may suspend the determination of the NAV of the Shares of any particular Class of Shares or Category of Shares and the issue, redemption and the conversion of Shares from and to such Class of Shares or Category of Shares during:

- a) any period when any of the principal stock exchanges or markets on which any substantial portion of the investments of the Fund attributable to such a Class of Shares or Category of Shares from time to time are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Fund attributable to such a class of Shares or Category of Shares would be impracticable;

- c) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange.

Any such suspension shall be published by the Fund and shall be notified to shareholders requesting subscription, redemption or conversion of their Shares by the Fund at the time of the filing of the irrevocable written request for such a subscription, redemption or conversion.

During any period of suspension applications for subscription, redemption or conversion of Shares may be revoked. In the absence of such a revocation, the issue redemption or conversion price shall be based on the first calculation of NAV made after the expiration of such periods of suspension.

## **11. LIQUIDATION**

### **11.1. LIQUIDATION OF THE FUND**

In the event of dissolution of the Fund, liquidation shall be carried out by one or several liquidators named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Class of Shares shall be distributed by the liquidators to the shareholders of each Class of Shares in proportion to their holding of Shares in such a Class of Shares.

If the Fund is voluntarily put into liquidation, its liquidation will be carried out in accordance with the provisions of the 1915 Law and the 2010 Law.

The Fund shall be dissolved in the following events:

- a) if the capital of the Fund falls below two thirds of the minimum capital, the Board of Directors must submit the question of the dissolution of the Fund to a general meeting for which no quorum is required and which shall decide by a simple majority of the represented votes at the meeting;
- b) if the capital of the Fund falls below one fourth of the minimum capital, the Board of Directors must submit the question of the dissolution of the Fund to a general meeting for which no quorum is required; dissolution may be resolved by shareholders holding one fourth of the Shares at the meeting.
- c) by decision of the general meeting of Shareholders.

In case the liquidation proceeds of the Fund remain unclaimed at the close of liquidation, they will be kept in escrow with the “*Caisse de Consignations*” during the period prescribed by law and they shall be forfeited after such period.

### **11.2. LIQUIDATION OF A CLASS OF SHARES OR CATEGORY OF SHARES**

The Board of Directors may propose at any time the closing of one or more Classes of Shares or Categories of Shares in the following events:

- a) if, for any reason, the value of the total net assets in any Class of Shares or Category of Shares has not reached, or has decreased, to a minimum amount to be the minimum level for such Class of Shares or Category of Shares to be operated in an economically efficient manner; or
- b) if the political and/or economical environment happens to change.

This decision of liquidation should be notified to Shareholders according to the rules specified under Clause 12.3. The notice must specify the reasons and the terms of the liquidation procedure.

Unless otherwise agreed by the Board of Directors, the Fund may continue and redeem

Shares of the Class(es) of Shares or Category(ies) of Shares the liquidation of which has been decided until this decision of liquidation will be executed.

For these redemptions, the Fund must apply the NAV which takes into account the liquidation fees without any redemption fee.

The formation expenses must be completely written off as soon as a decision to liquidate has been taken.

Amounts unclaimed by shareholders on the closure of liquidation of the concerned Class(es) of Shares or Category(ies) of Shares shall be deposited with the custodian for a period not exceeding nine (9) months from the date of closure. After such period the amounts will be deposited with the "*Caisse de Consignation*".

Within the scope of its legal duty to control the books, accounts and annual reports of the Fund, the auditor must verify the liquidation operations. At this occasion he has to verify more particularly the question of the liquidation cost of the Class(es) of Shares or Category(ies) of Shares.

The annual report of the financial year during which the decision to liquidate has been adopted should mention explicitly such decision and detail the progress of the liquidation procedure.

### **11.3. MERGER OF A CLASS OF SHARES OR CATEGORY OF SHARES TO ANOTHER CLASS OF SHARES OR CATEGORY OF SHARES.**

The Board of Directors may decide to merge one Class of Shares or Category of Shares into another Class of Shares or Category of Shares of the Fund under the following conditions :

- a) if, for any reason the value of the total net assets in any Class of Shares or Category of Shares has not reached, or has decreased, to a minimum amount, to be the minimum level for such Class of Shares or Category of Shares to be operated in an economically efficient manner; or
- b) if the political and/or economical environment happens to change.

Such decisions will be published by the Fund, one (1) month prior to the effectiveness thereof in order to enable Shareholders to request redemption or conversion of their Shares, without any redemption fee, during a period of one (1) month.

## **12. GENERAL INFORMATION**

### **12.1. REPORTS AND INFORMATION**

Audited reports of the Fund in respect of the preceding financial year of the Fund will be made available to the Shareholders annually at the registered office of the Fund within six (6) months of the end of the financial year.

In addition, unaudited semi-annual reports will be made available at the registered office of the Fund in Luxembourg. The financial year of the Fund starts on 1 January and ends on 31 December of the same year.

The audited report and semi-annual reports will provide information on each Class of Shares and Category of Shares and, on a consolidated basis, the Fund as a whole. The Fund's accounts will be presented in EUR. The accounts for the different Classes of Shares stated in different currencies will be converted into EUR and added together for accounting.

### **12.2. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents and information are available for inspection free of charge at the registered office of the Fund:

- a) the Articles;
- b) the main agreements of the Fund (domiciliary agent agreement, registrar and transfer agreement, administrative agency agreements, custodian agreement and investment management agreement);
- c) the semi-annual and audited annual reports; and
- d) the prices for subscription/redemption and conversion of Shares.

### **12.3. INFORMATION NOTICES**

Information notices are sent by registered mail to Shareholders at their address mentioned in the register of Shares of the Fund. Shareholders may modify their address by sending a written notice to the Registrar Agent.

## PART II – SPECIFIC INFORMATION RELATIVE TO CLASSES OF SHARES

### 1. SIGMA FUND - REAL RETURN

#### 1.1. INVESTMENT OBJECTIVE

The objective of the Class of Shares is to achieve a total return of 400 basis points in excess of a cash benchmark over an investment horizon of 3-5 years

#### 1.2. INVESTMENT POLICY

The Class of Shares tries to achieve an absolute return over an investment horizon of a full business cycle, which typically expands over 3-5 years in excess of the return that would be received by cash on deposit for such a period. To achieve this, the Class of Shares will use its ability to invest freely in a wide range of asset classes, aiming to have a reasonably moderate risk exposure at any point in time.

In general, the Class of Shares may invest in all permissible types of asset classes such as equities, equity-related securities, debt securities, deposits, derivative instruments, cash, money market instruments and cash equivalents as well as in exchange traded commodities ("ETCs") that reflect the movement price of gold and/or silver as a hedge to systematic crisis. The Sub-Fund will not invest directly in physical gold and/or silver.

The Class of Shares is a multi-asset global portfolio. Allocations will be made at the Investment Manager's discretion, based upon the Investment Manager's proprietary global investment approach, both within each asset class and among the asset classes. The Class of Shares need not be invested in any or all of the asset classes at any one time.

The Class of Shares may invest up to 10% of its net assets in transferable securities not listed or traded on Eligible Markets.

Investment in sub-investment grade fixed income securities is not expected to exceed 30% of net assets and will generally be substantially lower than 30% of net assets. Investment in non-rated fixed income securities is not expected to exceed 10% of net assets and will generally be substantially lower than 10% of net assets.

The Class of Shares may invest up to 10% of its net assets in ETC of gold and/or silver.

The Class of Shares is not subject to any specific geographic or market sector.

To provide liquidity and cover for exposures generated through the use of financial derivative instruments, the majority of the Class of Shares' assets may, at any one time, be invested in cash, money market instruments (including, but not limited to, commercial paper, government bonds (which may be fixed or floating rate and investment grade or below investment grade, as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency) and certificates of deposit and, (subject to the particular investment restriction outlined

in the section entitled “Investment and Borrowing Restrictions” below), collective investment schemes.

The Class of Shares may be exposed to other currencies than the Base Currency through investments and/or cash holdings. The Class of Shares will use this currency exposure actively in the investment strategy.

This Class of Shares may accessorially hold liquid assets in all currencies in which investments are effected as well as in the currency of its respective Share Class(es).

***Investment Strategy:***

The investment philosophy of the Investment Manager seeks to obtain a stable risk-adjusted absolute return objective. A balanced risk-return profile maximizes capital preservation and facilitates investors' access to liquidity at any point in time.

The investment philosophy is implemented with a global and pragmatic approach to financial markets. History shows that no asset class, market or economy in isolation can offer a consistent and stable return-risk ratio over time. It requires active multi-asset management and dynamic risk control to contain portfolio volatility while preserving an attractive return for investors.

The investment strategy combines a two-fold investment approach:

- 1) A disciplined and structured bottom-up multi asset investment opportunity selection
- 2) A global adaptive risk management overlay

Bottom-up investment decisions are the result of a disciplined selection process that combines fundamental analysis, return stability, business visibility, risk assessment and momentum awareness.

Risk management aims to protect capital from expected and unexpected risk events in a wide time horizon. Risk management seeks to keep volatility under control by real diversification, asset correlation monitoring, dynamic hedging and global macro risk assessment.

The real return strategy aims to profit from long-term real return sources with an unconstrained access to financial assets with no regional, sector or indices constraints while containing volatility and risk with adaptive long and short term cost-effective hedging. Conventional assets and derivatives are used for both investment and protection purposes.

**1.3. USE OF SFTs AND TRSs**

The Class of Shares may make use of SFTs and TRSs.

The type of assets that shall be subject to SFTs and TRSs shall be the same as those specified in the investment policy of the Class of Shares set forth hereabove.

The proportion of the assets under management of the Class of Shares that can be subject to SFTs and TRSs shall be up to 100% of the those assets.

The expected proportion of the assets of the Class of Shares that shall be subject to SFTs shall be less than 10%. The expected proportion of the assets of the Class of Shares that shall be subject to TRSs shall be less than 10%.

#### **1.4. INVESTMENT RESTRICTION**

Notwithstanding the limit set forth in Part I – Clause 3.1, this Class of Shares may borrow up to 40% of its net assets.

#### **1.5. RISK PROFILE OF THE INVESTOR**

This Class of Shares is aimed at investors wishing to diversify their portfolio by investing in a product complementary to traditional assets. The Class of Shares aims to produce an absolute performance regardless of how the financial markets evolve and to limit fluctuations in value. To achieve this, the Class of Shares invests a significant part of its assets in hedges with the purpose of limiting market volatility and risk.

In short, this investment offers a low level of risk on the basis of an investment horizon of at least three (3) years.

#### **1.6. NET ASSET VALUE**

The NAV of this Class of Shares will be expressed in EUR.

#### **1.7. SALE RESTRICTIONS**

No new investor may invest in Shares of the Category C in this Class of Shares. The Category C Shares are offered to existing Shareholders subject to certain conditions determined by the Fund. Exceptionally, Category C may be opened by decision of the Board in order to accept subscriptions from other UCI's managed or advised by the Investment Manager.

The Category I is open only for subscriptions by Institutional Investors, Professional Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive, and having separate fee arrangements in relation to those services and activities.

#### **1.8. SPECIFIC RISK WARNING**

The volatility of derivative instruments is higher than the volatility of transferable securities; consequently the volatility of the prices of the underlying assets should make the risk attached to investment in Shares of such Class of Shares higher than in the case of conventional investment policies and particularly so with derivative instruments traded on the over the counter market. This Class of Shares will not borrow for the purpose of investing in futures and options funds.

*Risks related to Contracts for Differences:*

A contract for difference is a cash settled bilateral financial contract, the value of which is linked

to a financial instrument, generally an equity or a debt instrument, a basket thereof or an index. A contract for difference entails the market risk of the underlying financial instrument but also the credit risk if the counterpart to the transaction in case of default on its obligations.

### **1.9. SUBSCRIPTIONS**

#### **INITIAL SUBSCRIPTIONS**

<b>Category of Shares</b>	<b>Initial subscription periods</b>	<b>Subscription Price</b>
Category I	12 May 2003 to 20 May 2003	EUR 100
Category A EUR	30 June 2004	EUR 100
Category A USD	22 September 2008 to 29 September 2008	USD 100
Category B	2 January 2008 to 31 January 2008	EUR 100

#### **SUBSEQUENT SUBSCRIPTIONS**

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

### **1.10. CONVERSION BETWEEN CATEGORIES OF SHARES AND CLASSES OF SHARES**

Shareholders may request conversion of Shares of any Category of Shares of this Class of Shares (except for Shares of the Category C) into Shares of any another Category of Shares of this Class of Shares or Shares of a Category of Shares in another Class of Shares (if any), provided that no suspension of the NAV has occurred. The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Classes or Categories of Shares determined as at that day.

No Shares of the Category C of this Class of Shares can be converted into another Class or Category of Shares and no Shares of other Class of Shares or Category of Shares can be converted in Shares the Category C of this Class of Shares.

### **1.11. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

## **1.12. LISTING**

Shares of the Category I in this Class of Shares are listed on the Luxembourg Stock Exchange.

## **1.13. FEES**

### **INVESTMENT MANAGER**

Altex Partners Gestion, S.G.I.I.C., S.A.U. will receive, as described below, a management fee which is payable at the end of each month and calculated on the average total net assets of the Categories of Shares as well as a performance fee as the case may be:

#### **Category I**

Altex Partners Gestion, S.G.I.I.C., S.A.U. is entitled to receive a management fee at an annual rate of 0.60% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

Altex Partners Gestion, S.G.I.I.C., S.A.U. may each year (**Calculation Period**) be entitled to the payment of an additional commission linked to the performance of this Category of Shares during each calendar year .

Such additional commission, to be calculated on the outstanding Shares of the relevant year is fixed at 10% of the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of all past years (**Reference NAV**).

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant calculation period and are adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares in another Class of Shares and/or Category of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed Shares is crystallized and become payable to the Investment Advisor.

The relevant performance fee will be accrued on each NAV Day.

#### **Category A**

For that Category A (EUR and USD), Altex Partners Gestion, S.G.I.I.C., S.A.U. is entitled to receive a management fee at an annual rate of 1.10.% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

Altex Partners Gestion, S.G.I.I.C., S.A.U may each year (**Calculation Period**) be entitled to the payment of an additional commission linked to the performance of this Category of Shares during each calendar year.

Such additional commission, to be calculated on the outstanding Shares of the relevant year is fixed at 10% of the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of all past years (**Reference NAV**).

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant calculation period and are adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares in another Class of Shares and/or Category of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed Shares is crystallized and become payable to the Investment Advisor.

The relevant performance fee will be accrued on each NAV Day.

#### **Category B**

Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive a management fee at an annual rate of 1.90 % payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

#### **Category C**

Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive payment of a commission linked to the performance of this category of shares during each calendar year.

The performance fee is calculated on the outstanding Shares of the relevant year and fixed at 10% of the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of all past years (**Reference NAV**).

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant calculation period and are adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted into Shares in another Class of Shares and/or Category of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed Shares is crystallized and become payable to the Investment Advisor.

The relevant performance fee will be accrued on each NAV Day.

## SUMMARY OF THE FEE STRUCTURE

Category of Shares	Max. Subscription Fee	Redemption Fee	Management Fee (per annum)	Performance Fee (rate of Reference NAV)
Category I	2.5 %	0%	0.60 %	10%
Category A EUR	2.5 %	0%	1.10 %	10%
Category A USD	2.5 %	0%	1.10 %	10%
Category B	2.5 %	0%	1.90 %	0%
Category C	2.5 %	0%	0%	10%

### 1.14. HISTORICAL PERFORMANCE

Remark: Annual returns were calculated for the last 3 full consecutive fiscal years. For Classes of Shares or Share types existing launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.

#### Historical performance \*)

##### Performance of Category C EUR shares (in %)

- as at 31.12.2016	-3.55
- as at 31.12.2015	5.14
- as at 31.12.2014	4.41

##### Performance of Category I shares (in %)

- as at 31.12.2016	-4.13
- as at 31.12.2015	4.57
- as at 31.12.2014	3.85

##### Performance of Category A shares (in %)

- as at 31.12.2016	-4.60
- as at 31.12.2015	4.10
- as at 31.12.2014	3.69

##### Performance of Category B shares (in %)

- as at 31.12.2016	-5.36
- as at 31.12.2015	3.73

\*) The historical performance is not an indication of future results.

## 2. SIGMA FUND – PRUDENT GROWTH

### 2.1. INVESTMENT OBJECTIVE

The objective of the Class of Shares is to achieve a total return of 600 basis points in excess of a cash benchmark over an investment horizon of 3-5 years.

### 2.2. INVESTMENT POLICY

The Class of Shares tries to achieve an absolute return over an investment horizon of a full business cycle, which typically expands over 3-5 years in excess of the return that would be received by cash on deposit for such a period + 600 basis points. To achieve this, the Class of Shares will use its ability to invest mainly in, but not limited to, equities, equity-related securities, futures, options, spot, forwards, debt securities, cash, money market instruments and cash equivalents.

In general, debt securities can be held in the portfolio with a protective objective. Debt securities shall be investment grade from both corporate and government issuers.

The Class of Shares is a hedged equity and equity-linked global portfolio with a moderate to low beta. Allocations will be made at the Investment Manager's discretion, based upon the Investment Manager's proprietary global investment approach, both within each asset class and among the asset classes. The Class of Shares need not be invested in any or all of the asset classes at any one time.

The Class of Shares may invest up to 10% of its net assets in transferable securities not listed or traded on Eligible Markets.

The Class of Shares may invest up to 10% of its net assets in other UCIs.

The Class of Shares may not invest more than 10% of its net assets in other Class of Shares of the Fund.

The Class of Shares is not subject to any specific geographic or market sector.

To provide liquidity and cover for exposures generated through the use of financial derivative instruments, the majority of the Class of Shares' assets may, at any one time, be invested in cash, money market instruments (including, but not limited to, commercial paper, government bonds (which may be fixed or floating rate and investment grade, as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency) and certificates of deposit and, (subject to the particular investment restriction outlined in the section entitled "Investment and Borrowing Restrictions" below), collective investment schemes.

The Class of Shares may be exposed to other currencies than the Base Currency through investments and/or cash holdings. The Class of Shares will use this currency exposure actively in the investment strategy.

This Class of Shares may accessorially hold liquid assets in all currencies in which investments are effected as well as in the currency of its respective Share Class(es).

### ***Investment Strategy:***

The Prudent Growth investment philosophy of the Investment Manager seeks to obtain an attractive risk-adjusted absolute return objective.

The investment philosophy is implemented by combining a long bias to growth equities and a short bias to equity indices via derivatives to dampen volatility and capture alpha. Risk control is dynamically managed to contain portfolio volatility while preserving an attractive return for investors.

The investment strategy combines a two-fold investment approach:

- 1) A disciplined and structured bottom-up equity investment opportunity selection
- 2) A global adaptive risk management overlay

Bottom-up investment decisions are the result of a disciplined selection process that combines fundamental analysis, business growth expectations, risk assessment and momentum awareness.

Risk management aims to protect capital from expected and unexpected risk events in a wide time horizon. Risk management seeks to keep volatility under control by real diversification and dynamic hedging.

The Prudent Growth strategy aims to profit from long-term returns with an unconstrained access to growth equity and equity-linked assets with no regional, sector or indices constraints while containing volatility and risk with adaptive long and short term cost-effective hedging. Conventional assets and derivatives are used for both investment and protection purposes.

### **2.3. USE OF SFTs AND TRSs**

The Class of Shares may make use of SFTs and TRSs.

The type of assets that shall be subject to SFTs and TRSs shall be the same as those specified in the investment policy of the Class of Shares set forth hereabove.

The proportion of the assets under management of the Class of Shares that can be subject to SFTs and TRSs shall be up to 100% of those assets.

However, the expected proportion of the assets of the Class of Shares that shall be subject to SFTs shall be less than 10%. The expected proportion of the assets of the Class of Shares that shall be subject to TRSs shall be less than 10%.

### **2.4. INVESTMENT RESTRICTION**

Notwithstanding the limit set forth in Part I – Clause 3.1, this Class of Shares may borrow up to 40% of its net assets.

### **2.5. RISK PROFILE OF THE INVESTOR**

This Class of Shares is aimed at investors wishing to diversify their portfolio by investing in a product complementary to traditional assets. The Class of Shares aims to produce an absolute performance regardless of how the financial markets evolve and to limit fluctuations in value.

To achieve this, the Class of Shares invests a significant part of its assets in hedges with the purpose of limiting market volatility and risk.

In short, this investment offers a moderate level of risk on the basis of an investment horizon of at least three (3) year.

## **2.6. NET ASSET VALUE**

The NAV of this Class of Shares will be expressed in EUR.

## **2.7. SALE RESTRICTIONS**

No new investor may invest in Shares of the Category C in this Class of Shares. Exceptionally, Category C may be opened by decision of the Board in order to accept subscriptions from other UCI's managed or advised by the Investment Manager.

The Category D Shares are only offered to other classes of shares of the Fund.

The Category I is open only for subscriptions by Institutional Investors, Professionnal Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive, and having separate fee arrangements in relation to those services and activities

## **2.8. SPECIFIC RISK WARNING**

The volatility of derivative instruments is higher than the volatility of transferable securities; consequently the volatility of the prices of the underlying assets should make the risk attached to investment in Shares of such Class of Shares higher than in the case of conventional investment policies and particularly so with derivative instruments traded on the over the counter market. This Class of Shares will not borrow for the purpose of investing in futures and options funds.

*Risks related to Contracts for Differences:*

A contract for difference is a cash settled bilateral financial contract, the value of which is linked to a financial instrument, generally an equity or a debt instrument, a basket thereof or an index. A contract for difference entails the market risk of the underlying financial instrument but also the credit risk if the counterpart to the transaction in case of default on its obligations.

## **2.9. SUBSCRIPTIONS**

### **INITIAL SUBSCRIPTIONS**

<b>Category of Shares</b>	<b>Initial subscription periods</b>	<b>Subscription Price</b>
Category A EUR	N/A	N/A
Category B EUR	N/A	N/A
Category C EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100

Category D EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100
Category I EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100

## **SUBSEQUENT SUBSCRIPTIONS**

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

## **2.10. CONVERSION BETWEEN CATEGORIES OF SHARES AND CLASSES OF SHARES**

Shareholders may request conversion of Shares of any Category of Shares of this Class of Shares into Shares of any another Category of Shares of this Class of Shares or Shares of a Category of Shares in another Class of Shares (if any), provided that no suspension of the NAV has occurred. The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Classes or Categories of Shares determined as at that day.

## **2.11. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

## **2.12. LISTING**

Shares of the Category I in this Class of Shares are listed on the Luxembourg Stock Exchange.

## **2.13. FEES**

### **INVESTMENT MANAGER**

Altex Partners Gestion, S.G.I.I.C., S.A.U. will receive, as described below, a management fee which is payable at the end of each month and calculated on the average total net assets of the Categories of Shares.

### **Category A EUR**

For Category A, Altex Partners Gestion, S.G.I.I.C., S.A.U. is entitled to receive a management fee at an annual rate of 1.75% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

## **Category B EUR**

For Category B, Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive a management fee at an annual rate of 2.25% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

## **Category C EUR**

For Category C, Altex Partners Gestion, S.G.I.I.C., S.A.U shall receive no management fee.

Notwithstanding the above, Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive payment of a commission linked to the performance of this category of shares during each calendar year.

The performance fee is calculated on the outstanding Shares of the relevant year and fixed at 10% of the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of all past years (**Reference NAV**).

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant calculation period and are adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted into Shares in another Class of Shares and/or Category of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed Shares is crystallized and become payable to the Investment Advisor.

The relevant performance fee will be accrued on each NAV Day.

## **Category D EUR**

For Category D, Altex Partners Gestion, S.G.I.I.C., S.A.U shall receive no management fee.

## **Category I EUR**

For Category I, Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive a management fee at an annual rate of 1,25 % payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

## SUMMARY OF THE FEE STRUCTURE

Category of Shares	Max. Subscription Fee	Redemption Fee	Management Fee (per annum)	Performance Fee (rate of Reference NAV)
Category A EUR	2.5 %	0%	1.75 %	N/A
Category B EUR	2.5 %	0%	2.25 %	N/A
Category C EUR	2.5 %	0%	0 %	10%
Category D EUR	2.5 %	0%	0 %	N/A
Category I EUR	2.5 %	0%	1.25 %	N/A

### 2.14. HISTORICAL PERFORMANCE

Remark: Annual returns were calculated for the last 3 full consecutive fiscal years. For Classes of Shares or Share types existing launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.

### **3. SIGMA FUND – QUALITY STOCKS**

#### **3.1. INVESTMENT OBJECTIVE**

The objective of the Class of Shares is to achieve long term capital appreciation and preservation in high quality equities.

#### **3.2. INVESTMENT POLICY**

The Class of Shares tries to achieve an attractive return relative to equity global indexes over an investment horizon of a full business cycle, which typically expands over 3-5 years To achieve this, the Class of Shares will use its ability to invest mainly in, but not limited to, equities, equity-related securities, futures, options, spot, forwards, debt securities, cash, money market instruments and cash equivalents.

The Class of Shares is an equity and equity-linked global portfolio. Allocations will be made at the Investment Manager's discretion, based upon the Investment Manager's proprietary global investment approach, both within each asset class and among the asset classes. The Class of Shares need not be invested in any or all of the asset classes at any one time.

In general, the Class of Shares will have a minimum of 75% of exposure to equities or equity related instruments, either directly or indirectly via derivatives.

In general, debt securities can be held in the portfolio with a protective objective to preserve cash. Debt securities shall be investment grade from both corporate and government issuers.

The Class of Shares may invest up to 10% of its net assets in transferable securities not listed or traded on Eligible Markets.

The Class of Shares may invest up to 10% of its net assets in other UCIs such as monetary funds or short term high grade fixed income as an alternative to direct investments in cash securities.

The Class of Shares may not invest more than 10% of its net assets in other Class of Shares of the Fund.

The Class of Shares is not subject to any specific geographic or market sector.

To provide liquidity and cover for exposures generated through the use of financial derivative instruments, the majority of the Class of Shares' assets may, at any one time, be invested in cash, money market instruments (including, but not limited to, commercial paper, government bonds (which may be fixed or floating rate and investment grade, as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency) and certificates of deposit and, (subject to the particular investment restriction outlined in the section entitled "Investment and Borrowing Restrictions" below), collective investment schemes.

The Class of Shares may be exposed to other currencies than the Base Currency through investments and/or cash holdings. The Class of Shares will use this currency exposure actively in the investment strategy.

This Class of Shares may accessorially hold liquid assets in all currencies in which investments are effected as well as in the currency of its respective Share Class(es).

### ***Investment Strategy:***

The Quality Stocks investment philosophy of the Investment Manager seeks to obtain an attractive long term return objective with a concentrated selection of high quality businesses that offer a high degree of resilience in order to sustain growth and preserve capital in the long-term.

Bottom-up investment decisions are the result of a disciplined selection process that combines fundamental analysis, business growth expectations, risk assessment and momentum awareness.

Risk management aims to protect capital from expected and unexpected risk events in a wide time horizon. Risk management seeks to avoid permanent losses of capital by real diversification and financial resilience of businesses.

The Quality Stocks strategy aims to profit from long-term returns with an unconstrained access to global markets with no regional, sector or indices constraints. Conventional assets and derivatives are used for both investment and protection purposes.

### **3.3. USE OF SFTs AND TRSs**

The Class of Shares may make use of SFTs and TRSs.

The type of assets that shall be subject to SFTs and TRSs shall be the same as those specified in the investment policy of the Class of Shares set forth hereabove.

The proportion of the assets under management of the Class of Shares that can be subject to SFTs and TRSs shall be up to 100% of those assets.

However, the expected proportion of the assets of the Class of Shares that shall be subject to SFTs shall be less than 10%. The expected proportion of the assets of the Class of Shares that shall be subject to TRSs shall be less than 10%.

### **3.4. INVESTMENT RESTRICTION**

Notwithstanding the limit set forth in Part I – Clause 3.1, this Class of Shares may borrow up to 40% of its net assets.

### **3.5. RISK PROFILE OF THE INVESTOR**

This Class of Shares is aimed at investors wishing to invest in global quality equities. The Class of Shares aims to produce an attractive performance in a full business cycle. The Class of Shares volatility will be similar to equity indexes volatility.

In short, this investment offers an equity related level of risk on the basis of an investment horizon of at least three (3) year.

### **3.6. NET ASSET VALUE**

The NAV of this Class of Shares will be expressed in EUR.

### **3.7. SALE RESTRICTIONS**

No new investor may invest in Shares of the Category C in this Class of Shares. Exceptionally, Category C may be opened by decision of the Board in order to accept subscriptions from other UCI's managed or advised by the Investment Manager.

The Category D Shares are only offered to other classes of shares of the Fund.

The Category I is open only for subscriptions by Institutional Investors, Professionnal Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive, and having separate fee arrangements in relation to those services and activities

### **3.8. SPECIFIC RISK WARNING**

The volatility of derivative instruments is higher than the volatility of transferable securities; consequently the volatility of the prices of the underlying assets should make the risk attached to investment in Shares of such Class of Shares higher than in the case of conventional investment policies and particularly so with derivative instruments traded on the over the counter market. This Class of Shares will not borrow for the purpose of investing in futures and options funds.

*Risks related to Contracts for Differences:*

A contract for difference is a cash settled bilateral financial contract, the value of which is linked to a financial instrument, generally an equity or a debt instrument, a basket thereof or an index. A contract for difference entails the market risk of the underlying financial instrument but also the credit risk if the counterpart to the transaction in case of default on its obligations.

### **3.9. SUBSCRIPTIONS**

#### **INITIAL SUBSCRIPTIONS**

<b>Category of Shares</b>	<b>Initial subscription periods</b>	<b>Subscription Price</b>
Category A EUR	N/A	N/A
Category B EUR	N/A	N/A
Category C EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100
Category D EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100
Category I EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100

#### **SUBSEQUENT SUBSCRIPTIONS**

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

### **3.10. CONVERSION BETWEEN CATEGORIES OF SHARES AND CLASSES OF SHARES**

Shareholders may request conversion of Shares of any Category of Shares of this Class of Shares into Shares of any another Category of Shares of this Class of Shares or Shares of a Category of Shares in another Class of Shares (if any), provided that no suspension of the NAV has occurred. The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Classes or Categories of Shares determined as at that day.

### **3.11. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

### **3.12. LISTING**

Shares of the Category I in this Class of Shares are listed on the Luxembourg Stock Exchange.

### **3.13. FEES**

#### **INVESTMENT MANAGER**

Altex Partners Gestion, S.G.I.I.C., S.A.U. will receive, as described below, a management fee which is payable at the end of each month and calculated on the average total net assets of the Categories of Shares.

#### **Category A EUR**

For Category A, Altex Partners Gestion, S.G.I.I.C., S.A.U. is entitled to receive a management fee at an annual rate of 1.35% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

#### **Category B EUR**

For Category B, Altex Partners Gestion, S.G.I.I.C., S.A.U. is entitled to receive a management fee at an annual rate of 1.85% payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

#### **Category C EUR**

For Category C, Altex Partners Gestion, S.G.I.I.C., S.A.U shall receive no management fee.

Notwithstanding the above, Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive payment of a commission linked to the performance of this category of shares during each calendar year.

The performance fee is calculated on the outstanding Shares of the relevant year and fixed at 10% of the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of all past years (**Reference NAV**).

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant calculation period and are adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted into Shares in another Class of Shares and/or Category of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed Shares is crystallized and become payable to the Investment Advisor.

The relevant performance fee will be accrued on each NAV Day.

#### **Category D EUR**

For Category D, Altex Partners Gestion, S.G.I.I.C., S.A.U shall receive no management fee.

#### **Category I EUR**

For Category I, Altex Partners Gestion, S.G.I.I.C., S.A.U is entitled to receive a management fee at an annual rate of 0,90 % payable at the end of each month and calculated on the average total net assets of this Category of Shares during the relevant month.

### **SUMMARY OF THE FEE STRUCTURE**

<b>Category of Shares</b>	<b>Max. Subscription Fee</b>	<b>Redemption Fee</b>	<b>Management Fee (per annum)</b>	<b>Performance Fee (rate of Reference NAV)</b>
Category A EUR	2.5 %	0%	1.35 %	N/A
Category B EUR	2.5 %	0%	1.85 %	N/A
Category C EUR	2.5 %	0%	0 %	10%
Category D EUR	2.5 %	0%	0 %	N/A
Category I EUR	2.5 %	0%	0.90 %	N/A

#### **3.14. HISTORICAL PERFORMANCE**

Remark: Annual returns were calculated for the last 3 full consecutive fiscal years. For Classes of Shares or Share types existing launched or liquidated during the financial year, the

corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.